



18 October 2019

(19-6804)

Page: 1/43

Committee on Subsidies and Countervailing Measures

Original: English

SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

INDIA

Supplement

The following communication, dated 3 October 2019, is being circulated at the request of the delegation of India.¹

The following notification constitutes India's supplementary notification to its new and full notification. This contains information on India's industrial assistance programmes at the level of Central Government or State Governments and is for the period April 2017 to March 2018 and April 2018 to March, 2019. Notification for some of the schemes are for the period April 2017 to March 2019, supplementing India's earlier notification covering the period April 2017 to March 2018.

The present communication also includes information on industrial assistance schemes for previous financial years for some of the State Governments, supplementing India's earlier notifications.

The information provided in this notification is for transparency purposes in order to clarify the operation of programmes. In accordance with Article 25.7 of the WTO Agreement on Subsidies and Countervailing Measures (ASCM), this notification does not, in any way, prejudice the legal status, nature or effects of government assistance programmes under the ASCM and GATT 1994, including as to whether or not the programmes notified are specific within the meaning of the ASCM.

Note:

It has not been possible to estimate the trade effects, if any, that may result from each of the programmes.

¹ WTO documents: G/SCM/N/343/IND - G/SCM/N/315/IND/Suppl.2 - G/SCM/N/284/IND/Suppl.4 - G/SCM/N/253/IND/Suppl.3.

TABLE OF CONTENTS

A	SCHEMES AT THE CENTRAL GOVERNMENT LEVEL	3
1	INDUSTRIAL DEVELOPMENT SCHEME, 2017 FOR STATES OF JAMMU & KASHMIR, HIMACHAL PRADESH AND UTTARAKHAND.....	3
2	INTEGRATED DEVELOPMENT OF LEATHER SECTOR SCHEME	4
3	NORTH EAST INDUSTRIAL AND INVESTMENT PROMOTION POLICY (NEIIPP), 2007	5
4	FREIGHT SUBSIDY SCHEME.....	6
5	NORTH EAST INDUSTRIAL DEVELOPMENT SCHEME.....	7
6	FASTER ADOPTION AND MANUFACTURING OF HYBRID AND ELECTRIC VEHICLES (FAME) SCHEME.....	8
7	ENHANCEMENT OF COMPETITIVENESS IN THE INDIAN CAPITAL GOODS SECTOR.....	9
8	SHIPBUILDING SUBSIDY/FINANCIAL ASSISTANCE POLICY	10
9	AMENDED TECHNOLOGY UPGRADATION FUND SCHEME (ATUFS)	11
B.	SCHEMES AT THE STATE GOVERNMENT LEVEL.....	12
1	SCHEMES OF THE STATE GOVERNMENT OF ANDHRA PRADESH.....	12
2	SCHEMES OF THE STATE GOVERNMENT OF BIHAR.....	13
3	SCHEMES OF THE STATE GOVERNMENT OF CHHATTISGARH.....	15
4	SCHEMES OF THE STATE GOVERNMENT OF GUJARAT.....	16
4.1	Scheme for Incentive to Industries	16
4.2	Scheme for assistance for Plastic Industries	17
4.3	Gujarat Aerospace & Defence incentive scheme for Aerospace & Defence Enterprises	18
4.4	Scheme for assistance for Labour Intensive Industries	19
4.5	Scheme of assistance to Mega/Innovative Projects	20
4.6	Schemes under Gujarat Textile Policy – 2012.....	22
5	SCHEMES OF THE STATE GOVERNMENT OF HARYANA.....	23
6	SCHEMES OF THE STATE GOVERNMENT OF HIMACHAL PRADESH	24
7	SCHEMES OF STATE GOVERNMENT OF KERALA.....	27
7.1	Entrepreneur Support Scheme (ESS), 2012	27
7.2	Scheme for Interest Subvention to Nano Household Enterprises	29
8	SCHEMES OF STATE GOVERNMENT OF KARNATAKA.....	30
9	SCHEMES OF STATE GOVERNMENT OF MADHYA PRADESH	32
10	SCHEMES OF THE STATE GOVERNMENT OF MAHARASHTRA.....	35
11	SCHEMES OF STATE GOVERNMENT OF ODISHA	37
12	SCHEMES OF THE STATE GOVERNMENT OF PUNJAB	38
13	SCHEMES OF THE STATE GOVERNMENT OF TRIPURA.....	40
14	SCHEMES OF THE STATE GOVERNMENT OF UTTARAKHAND	41

A SCHEMES AT THE CENTRAL GOVERNMENT LEVEL

1 INDUSTRIAL DEVELOPMENT SCHEME, 2017 FOR STATES OF JAMMU & KASHMIR, HIMACHAL PRADESH AND UTTARAKHAND

1. Title of Subsidy

- a) Industrial Development Scheme, 2017 (IDS) (for Jammu and Kashmir).
- b) Industrial Development Scheme, 2017 (IDS) (for Himachal Pradesh and Uttarakhand).

2. Period covered by the notification

2018-19

3. Policy objective and/or purpose of the subsidy

To provide package of incentives to boost industrialization in three special category states mentioned above.

4. Background and authority for the subsidy

Scheme for Jammu & Kashmir

To promote industrialization in Jammu & Kashmir, Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry in the Government of India had introduced various concessions for the State of Jammu & Kashmir namely, J&K package-I and J&K package-II from 14 June, 2002 to till 14 June, 2017. DPIIT has extended the benefits to the State of J&K w.e.f. 15 June 2017 up to 31 March 2020. Incentives include Central Capital Investment Incentive for access to credit, Central Interest Incentive, Central Comprehensive Insurance Incentive, Income Tax Reimbursement, GST reimbursement, Employment Incentive and Transport incentive. Extension of scheme beyond 31 March 2020 will be considered after evaluation of this scheme.

Scheme for Himachal Pradesh and Uttarakhand

Special Package (package-I and package-II) for the States of Himachal Pradesh and Uttarakhand were introduced from 7 January 2003 to 31 March, 2017. However, the grandfathering of schemes shall continue till 31 March 2022. Under the scheme, Central Capital Investment Subsidy was made available to the eligible industrial units in the State. DPIIT has introduced Industrial Development Scheme (IDS) for Himachal Pradesh and Uttarakhand which provides two incentives namely, (i) Central Capital Investment for access to credit (ii) Central Comprehensive Insurance incentive w.e.f. 01 April 2017 to 31 March 2022. The scheme has been formulated and administered by the Department for Promotion of Industry and Internal Trade in the Ministry of Commerce and Industry, Government of India.

5. Form of the subsidy

Exemption and grant/reimbursement of claimed amount.

6. To whom and how the subsidy is provided and how determined

All new units as well as existing units which go in for substantial expansion, units otherwise specified and which commence commercial production within 5 years from the date of notification of the respective scheme, will be eligible for incentives for a period of 5 years from the date of commencement of commercial production. Incentive are in form of exemption from income tax, provision of interest subsidy on working capital loan, reimbursement of insurance premium, capital investment subsidy, etc.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds for 2018-19 are indicated below:

Financial Year	2018-19
Expenditure (In Rupees million)	1,449.60

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

- a) For the State of Jammu and Kashmir:
Package-I: For 10 years from 14 June 2002 to 14 June 2012;
Package-II: For 5 years from 15 June 2012 to 14 June 2017; and
IDS: For 3 years from 15 June 2017 to 31 March 2020.
- b) For the States of Himachal Pradesh and Uttarakhand:
Package-I: For 10 years from 7 January 2003 to 6 January 2013;
Package-II: For 5 years from 7 March 2013 to 31 March 2017; and
IDS: For 5 years from 15 June 2017 to 31 March 2022.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

2 INTEGRATED DEVELOPMENT OF LEATHER SECTOR SCHEME

1. Title of subsidy

Integrated Development of Leather Sector (IDLS) Scheme.

2. Period covered by the notification

2018-19.

3. Policy objective and/or purpose of the subsidy

The objective of the IDLS scheme is to enable tanneries, footwear, footwear components, leather goods and accessories, leather garments, harness and saddlery manufacturing units to upgrade themselves leading to right sizing of capacity, cost cutting, design and development including simultaneously encouraging entrepreneurs to diversify and set up new units in specified areas.

4. Background and authority for the subsidy

The Scheme was initiated during the 10th Plan Period (2002-2007) and made applicable with effect from 3 November 2005. The scheme continued in 11th Plan since November 2008 and 12th Plan since January 2014. The scheme has been continued for the financial years 2017-20. Given the significance of this industry to the overall health of the Indian economy, its employment potential and historical backlog of technology upgradation, it was essential for the leather industry to have access to timely and adequate capital in order to upgrade its technology level, modernise and increase capacity/production. IDLS programme is administered with aid of Project Implementation Units (PIUs) FDDI and CLRI by the Department for Promotion of Industry and Internal Trade (DPIIT) in the Ministry of Commerce and Industry. More details of scheme can be seen under the heading "programmes and schemes" at <http://dipp.nic.in/>.

5. Form of the subsidy

Financial assistance is provided in the form of grant.

6. To whom and how the subsidy is provided and how determined

Financial assistance under the Scheme is provided as an investment grant to the extent of 30% of the cost of plant and machinery for Micro, Small and Medium Enterprises (MSMEs) and 20% of cost of plant and machinery for other units for technology upgradation /modernisation and/or expansion and setting up a new unit to a ceiling of Rs. 30 million for each product line. Investment grant is also available to units investing their own resources. All existing units in the leather and leather products industry including tanneries, leather goods, saddlery, leather footwear and footwear component sector having cash profits for 2 years, undertaking viable and bankable programmes on technology upgradation on or after January 2016, are eligible for assistance under the scheme, subject to a ceiling of Rs.30 million for each product line. The expansion projects in manufacturing units or setting up of new manufacturing units should lead to new jobs as per details given under the scheme.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds for 2018-19 are indicated below:

Financial Year	2018-19
Expenditure (in Rupees million)	110.1

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The scheme was initiated in 2005 and is continuing with revised guidelines. Its current period of operation is the financial years 2017-2020.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate trade effects, if any, that may result from this subsidy.

3 NORTH EAST INDUSTRIAL AND INVESTMENT PROMOTION POLICY (NEIIPP), 2007

1. Title of Policy containing the Scheme

North East Industrial and Investment Promotion Policy (NEIIPP), 2007.

2. Period covered by the notification

2018-19.

3. Policy objective and/or purpose of the subsidy

To provide a package of fiscal incentives and other concessions for the disadvantaged region i.e., the North East Region of India.

4. Background and authority for the subsidy

The North East Industrial Policy (NEIP), 1997, which covered the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura was replaced by the North East Industrial and Investment Promotion Policy (NEIIPP) 2007, effective from 1st April 2007 wherein the state of Sikkim was also included. This policy was valid up to 31 March 2017 but the grandfathering of the scheme shall continue till 31 March 2027. The administering authority for scheme is Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry. Further information on the Scheme is also available at: <http://dipp.nic.in/policies-rules-and-acts/policies/north-east-industrial-investment-promotion-policy-neiipp-2007>.

5. Form of the subsidy:

Exemption and Grant/reimbursement of the claimed amount.

6. To whom and how the subsidy is provided and how determined

All new units as well as existing units which go in for substantial expansion, unless otherwise specified and which commence commercial production within stipulated time period of the scheme will be eligible for incentives for a period of ten years from the date of commencement of commercial production. Incentives are in the form of Exemption of Excise Duty and income tax, provision of interest subsidy on working capital loan, reimbursement of insurance premium, capital investment subsidy, etc.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of fund for 2018-19 is indicated below:

Financial Year	2018-19
Expenditure (in Rupees million)	5,280.00

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

10 years from the date of its coming into force in 2007.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

4 FREIGHT SUBSIDY SCHEME

1. Title of subsidy

Freight Subsidy Scheme.

2. Period covered by the notification

2018-19.

3. Policy objective and/or purpose of the subsidy

To facilitate the process of industrialization in hilly, remote and inaccessible areas.

4. Background and authority for the subsidy

FSS was introduced in 2013 and it has replaced Transport Subsidy Scheme, 1971. The incentives under the scheme are available for all 8 States of North East, Himachal Pradesh, Uttarakhand, J&K, Darjeeling District of West Bengal, Andaman & Nicobar Administration and Lakshadweep Administration. The Freight Subsidy Scheme (FSS), 2013 has been discontinued, with effect from 22 November 2016. However, industrial units registered under the scheme prior to the date of issue of DIPP's notification dated 22 November 2016 will be eligible for the benefits of the scheme up to 21 November 2021. The administering authority for scheme is Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry.

5. Form of the subsidy

Exemption and Grant/reimbursement of the claimed amount.

6. To whom and how the subsidy is provided and how determined

Subsidy on the transport cost for transportation of raw material and finished goods to and from location of the unit and the designated rail-head. For North East states, Jammu & Kashmir and Union Territories, the subsidy is 90%. For States of Himachal Pradesh, Uttarakhand and Darjeeling Districts of West Bengal, subsidy is 75% of transport cost. However, for movement of goods within North East States of India, subsidy is 50% on finished goods and 90% on raw material. No subsidy is available for intra-state movement of goods.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of fund for 2018-19 is indicated below:

Financial Year	2018-19
Expenditure (In Rupees million)	9,322.50

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

5 years from the date of commencement of commercial production by the unit.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It is not possible to estimate the trade effects, if any, that may result from this subsidy.

5 NORTH EAST INDUSTRIAL DEVELOPMENT SCHEME

1. Title of subsidy

North East Industrial Development Scheme-2017.

2. Period covered by the notification

2018-19.

3. Policy objective and/or purpose of the subsidy

To promote industrialization in North Eastern States of India and to boost employment and income generation.

4. Background and authority for the subsidy

A new Scheme namely North East Industrial Development Scheme (NEIDS), 2017 has been notified on 12.04.2018 which has come into force w.e.f. 01.04.2017 for a period of five years. The scheme will cover manufacturing and service sector. It will give encouragement to MSME in manufacturing, services. Information technology will be leverage to process and approve proposals and release of payment. Further information on the Scheme is also available at: https://ncog.gov.in/NEIDS_SCHEME_NOTIFICATION.pdf.

5. Form of the subsidy

Exemption and Grant/reimbursement of the claimed amount.

6. To whom and how the subsidy is provided and how determined

All new units which commence commercial production within stipulated time period of the scheme will be eligible for incentives for a period of five years from the date commencement of commercial production. Incentives are in the form of Central Capital Investment Incentive for Access to Credit

(CCIIAC), Central Interest Incentive (CII), Central Comprehensive Insurance Incentive (CCII), Income Tax (IT), Reimbursement, Goods and Services Tax (GST) Reimbursement, Employment Incentive (EI) and Transport Incentive (TI).

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

No amount has been released so far.

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

5 years from the date of its coming into force in 2017.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It is not possible to estimate the trade effects, if any, that may result from this subsidy.

6 FASTER ADOPTION AND MANUFACTURING OF HYBRID AND ELECTRIC VEHICLES (FAME) SCHEME

1. Title of subsidy

Scheme for Faster Adoption and Manufacturing of (Hybrid) & Electric Vehicles in India-(FAME India scheme).

2. Period covered by the notification

2018-19.

3. Policy objective and/or purpose of the subsidy

The scheme is intended to support the hybrid/electric vehicles market development and its manufacturing eco-system to achieve the sustenance at the end of the stipulated period. The scheme is operated in select high density urban centres based on high level of environmental pollution and fossil fuel usage in road transport.

4. Background and authority for the subsidy

Scheme has been issued in pursuance of National Mission on Electric Mobility-2011 and National Mobility Mission Plan-2020. The Administering authority for the scheme is Department of Heavy Industry, Government of India.

5. Form of the subsidy

Subsidy is provided in the form of Grant.

6. To whom and how the subsidy is provided and how determined

Subsidy is provided to buyers in the form of upfront reduced market price of vehicle to enable wider adoption with emphasis on providing affordable and environmentally friendly public and private transportation/vehicular mobility options for the masses.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

The scheme has 4 focus areas i.e. Technology Development, Demand Creation, Pilot Project and Charging Infrastructure.

Release of funds for 2018-19 are indicated below:

Financial Year	2018-19
Expenditure (in Rupees million)	1,450

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

Duration of scheme is from 1 April 2015 to 31 March 2019.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate what trade effects, if any, may result from this subsidy.

7 ENHANCEMENT OF COMPETITIVENESS IN THE INDIAN CAPITAL GOODS SECTOR

1. Title of subsidy

Enhancement of competitiveness in the Indian Capital Goods Sector scheme.

2. Period covered by the notification

2018-19.

3. Policy objective and/or purpose of the subsidy

To make the Indian Capital Goods Sector globally competitive by addressing the issues of technological depth creation besides creating common industrial facility centres.

4. Background and authority for the subsidy

For modernization of the capital goods sector by adopting advanced technology in manufacturing. The administering authority for the scheme is Department of Heavy Industry in Government of India. Detail of the scheme can be accessed at <http://www.dhi.nic.in>.

5. Form of the subsidy

Financial assistance is in the form of Grant in aid.

6. To whom and how the subsidy is provided and how determined

The Grant in aid is provided to new and existing Institutions for setting up and strengthening the technology development and common Engineering/ services infrastructure.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Under the scheme for Enhancement of competitiveness in the Indian Capital Goods Sector scheme, funds released for 2018-19 are indicated below:

Financial Year	2018-19
Expenditure (in Rupees million)	1,104.5

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement.

The scheme is in operation since November, 2014 and is continuing.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate what trade effects, if any, may result from this subsidy.

8 SHIPBUILDING SUBSIDY/FINANCIAL ASSISTANCE POLICY

1. Title of Subsidy

Shipbuilding Subsidy/Financial Assistance Policy.

2. Period of Notification

2018-19.

3. Policy Objective and/or Purpose of the Subsidy

To encourage domestic shipbuilding and provide level playing field to Indian shipbuilding sector.

4. Background and authority for the Subsidy

Government of India has been operating this policy for Central Public Sector Shipyards since 1971 with some modifications from time to time. Subsequently, the policy has been extended to all the shipyards i.e. both public and private sector shipyards. The policy covers shipbuilding industry. The Union Cabinet approved the Shipbuilding Financial Assistance Policy for Indian Shipyards on 9 December 2015. Administrative Authority for policy is Ministry of Shipping in Government of India.

5. Form of the Subsidy

Subsidy is in the form of Grant.

6. To whom and how the Subsidy is provided

Financial assistance is granted to shipyards equal to 20% of the 'Contract Price' or the 'Fair Price' or 'Actual Receipt', whichever is lowest, for each vessel built by them for a period of at least 10 years commencing financial year 2016-17, after delivery of vessels. This rate of 20% will be reduced by 3% every three years starting from 2019.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

The Government of India has introduced a Rs. 40,000 million financial assistance to shipyards for 10 years for contracts secured between 1 April 2016 and 31 March 2026.

Release of funds for 2018-19 are indicated below:

Financial Year	2018-19
Expenditure (in Rupees million)	290.2

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The policy is applicable from financial year 2016-17 to 2025-2026 (plus three years or more for spill-over cases).

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate what trade effects, if any, may result from this subsidy.

9 AMENDED TECHNOLOGY UPGRADATION FUND SCHEME (ATUFS)

1. Title of Subsidy

Amended Technology Upgradation Fund Scheme (ATUFS)

2. Period covered by the Notification

2018-19.

3. Policy objective and/or purpose of subsidy

The objective of the Technology Up-Gradation Fund (TUFS) Scheme is to catalyze capital investments for technology upgradation and modernization of the textiles industry by providing capital investment subsidy for investment in upgradation of machinery. It is a credit linked scheme implemented through the notified lending agencies by reimbursement of subsidy claims of eligible investments.

4. Background and authority of the subsidy

TUFS was introduced in 1999 by way of 5% interest reimbursement. The scheme was initially approved from April, 1999 to March 31, 2004. Subsequently, the scheme was further restructured as Restructured TUF Scheme (R-TUFS) w.e.f. 28.04.2011 to 31.03.2012. This was further extended/rolled over up to 31.03.2013. It has been further revised for the period 01.04.2013 and 31.03.2017 and renamed as Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS). In place of RR-TUFS, amended TUFS has been launched from 13.01.2016. The implementing authority of the scheme is the Ministry of Textile, Government of India. Further details of the scheme are available at: http://www.txcindia.gov.in/tufs_home/tufs_home.htm.

5. Form of the Subsidy (i.e. grant, tax, loan, Concessions)

The ATUFS support Capital Investment subsidy whereby every eligible individual unit is entitled for reimbursement of capital investment subsidy at prescribed rates.

6. To whom and how subsidy is provided and how determined

The benefits under ATUFS are available to the eligible textile manufacturing units based on physical verification of installed machines by Joint Inspection Team.

7. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The ATUFS has been launched on 13 January 2016 and will be valid till 2021-2022.

8. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds for 2018-19 are indicated below:

Financial Year	2018-19
Expenditure (in Rupees million)	6,221.9

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate what trade effects, if any, may result from this subsidy.

B. SCHEMES AT THE STATE GOVERNMENT LEVEL

1 SCHEMES OF THE STATE GOVERNMENT OF ANDHRA PRADESH

1. Title of Policy containing the subsidy scheme

Schemes under Industrial Development Policy, 2015-20.

2. Period of notification

2018-19.

3. Policy objective and/or purpose of subsidy

The overall policy objectives are:

- a. To ensure sustainable & inclusive industrial growth.
- b. To be among the top three states in terms of industrial investments, by 2022.
- c. To be most preferred logistic hub and India's gateway to East and Southeast Asia by 2029.

4. Background and authority of the subsidy

Background of the scheme has been stated at No. 3 (Policy Objectives) above. The implementing authority for the scheme is the Industries & Commerce Department of State Government of Andhra Pradesh.

5. Form of the subsidy (i.e. grant, Tax, loan, concession)

Grants/tax reimbursements.

6. To whom and how subsidy is provided and how determined

- a. Incentives are provided to following categories of manufacturing units:
 - i. MSME Units: As defined by Government of India, from time to time.
 - ii. Large units (units in which investment on Plant & Machinery is less than Rupees 5,000 million except MSMEs.
 - iii. Mega Units (units in which investment on Plant & Machinery is of at least Rupees 5,000 million or direct employment generation of 2,000. Further, for sector such as textiles, food processing, biotech etc, definition of mega units will be different.
- b. Fiscal Incentives are given in form of power subsidy and procurement cost of land and Plant & Machinery for Swachh Andhra (clean Andhra) scheme.
- c. Fiscal incentives for Large & MSME units:
 - i. Reimbursement of 100% of stamp duty for purchase of land for industrial use or lease/mortgage/hypothecation of land.
 - ii. For large industrial units, 50% of Net VAT/CST or State GST will be reimbursed for a period of 7 years from the date of commercial production or up to realization of 100% fixed capital investment, whichever is earlier. For MSME units, 100% of Net VAT/CST or State GST will be reimbursed for a period of 5 years from the date of commercial production. For medium industries, 75% of Net VAT/CST or State GST will be

reimbursed for a period of 7 years from the date of commercial production or up to the realization of 100% fixed capital investment, whichever is earlier.

- iii. For sector specific MSME units like apparel, food processing, biotech, automobile VAT/CST/SGST concession may vary.

d. Fiscal incentive for Mega Projects:

The Government extends tailor-made benefits to mega projects to suit particular investment requirement on case to case basis based on the gestation period, pioneering nature, locational aspects, technology, project's importance to the state's industrial growth and its ability to generate large scale employment for people or revenues for the state.

7. Subsidy per unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds for 2018-19 are as below:

Financial Year	2018-19
Expenditure (in Rupees million)	6,860.40

8. Duration of subsidy and or any other limits attached to it, including date of inception/comment

Duration of subsidy scheme is from 29 April 2015 to 31 March 2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

2 SCHEMES OF THE STATE GOVERNMENT OF BIHAR

1. Title of Policy containing the subsidy scheme

Schemes under Bihar Industrial Investment Promotion Policy, 2016.

2. Period of notification

2018-19.

3. Policy objective and/or purpose of subsidy

Overall policy objectives are:

- To establish Bihar as the most preferred investment destination by leveraging the state's comparative advantages and maximizing employment opportunities for attaining a balanced regional and sustainable development.
- Create direct employment opportunities for 0.5 million people across all economic sectors.
- Create high-end infrastructure facilities to attract investments in the state.
- Eradicate regional industrial imbalance by uniformly extending the benefits of investment to all geographical areas of the state.
- Provide relatively more economic benefits to the priority sections of society such as women, differently abled, war widows, acid attack victims and third gender entrepreneurs.

- vi. Ensure that industries facilitate skill development of local people, so as to achieve the target of 15 million skilled youths.
- vii. Increase the competitiveness of MSMEs and adoption of Zero Defect Zero Effect manufacturing practice.

4. Background and authority of the subsidy

Implementing authority for the scheme is Department of Industries, State Government of Bihar.

5. Form of the subsidy (i.e. grant, Tax, loan, concession)

Reimbursement.

6. To whom and how subsidy is provided and how determined

a. Subsidy is provided to:

- i. New units commencing commercial production between 1 Sept 2016 and 31 Aug 2021 (i.e. policy period).
- ii. Any existing or new unit expanding its capacity by more than 50% of the existing capacity during policy period.
- iii. Any existing or new unit diversifying itself during the policy period.
- iv. Any existing or new unit modernising at least 50% of the capacity of the existing unit during the period.

b. Four types of incentives are offered and same are determined as under:

i. Reimbursement of Stamp Duty and Registration Fees:

- I. 100% reimbursement of stamp duty/registration fee lived on lease/sale/transfer of Industrial Land/ Shed. The reimbursement to be granted only first time and not at subsequent stages of lease/sale/transfer. This incentive is available for new units only.
- II. No stamp duty to be paid in respect of land allotted by the Government to development authority of State.

ii. Reimbursement of Land Conversion Fees:

100% reimbursement of land conversion fee/change in land use fees being levied for conversion of agriculture land. Reimbursement is done after the unit commences commercial production.

iii. Interest Subvention:

- I. Term loan interest rate or 10%, whichever is lower.
- II. Priority sectors: Up to 30% of approved project cost or Rupees 100 million, whichever is less.
- III. Non-priority sectors: Up to 15% of approved project cost or Rs. 100 million, whichever is less.
- IV. There are enhanced benefits if units established by women, differently abled persons, war widows, acid attack victims and third gender entrepreneurs.

iv. Tax Benefits:

- I. All new units can avail tax related benefits with a maximum limit of up to 70% of approved project cost in non-priority sector and up to 100% of approved project cost in priority sector.
- II. All new micro and small units and the units which are involved in generation of solar and/or renewable energy for commercial purpose will be given tax benefits by additional 30% of approved project cost 100% reimbursement of electricity duty.
- III. All new units can avail 80% reimbursement of admitted VAT/CST/Entry Tax, for period of 5 years from the date of commencement of commercial production.
- IV. All new units can avail 100% reimbursement of electricity duty on power including captive power consumed by the same unit or exported to Bihar State Power Holding Company Limited for a period of 5 years from the date of commencement of commercial production. Electricity duty exemption will not be available on captive power exported to entities other than BSPHCL.

7. Subsidy per unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds for FY 2018-19 are as below:

Financial Year	2018-19
Expenditure (in Rupees million)	3,500

8. Duration of subsidy and or any other limits attached to it, including date of inception/comment

The incentives under the policy are available for 5 years from the date of commencement of commercial production or up to 5 years from the date of validity of this policy (31 August 2021), whichever is earlier.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

3 SCHEMES OF THE STATE GOVERNMENT OF CHHATTISGARH

1. Title of Policy containing the subsidy scheme

Schemes under the Industrial Policy, 2014-19.

2. Period of notification

2017-18 to 2018-19.

3. Policy objective and/or purpose of subsidy

The overall policy objectives are rapid industrialisation of the state, development of infrastructure, skill development, attraction of foreign investment, conducive environment for setting up of industrial units, balanced industrial growth, increase per capita income and gross domestic product of state, participation of private sector in construction and maintenance of industrial infrastructure and setting up of pollution free and environment friendly industrial units.

4. Background and authority of the subsidy

Background of the scheme has been stated at No. 3 (Policy Objective) above. The implementing authority for scheme is Department of Industries, State Government of Chhattisgarh.

5. Form of the subsidy (i.e. grant, Tax, loan, concession)

Grant, exemption, reimbursement.

6. To whom and how subsidy is provided and how determined

- Capital investment subsidy: 30% to 50% of fixed capital investment, subject to maximum limit of Rs. 3 million to 50 million.
- Electricity Duty exemption: Full exemption up to 5-10 years from the date of commencement of production.
- Stamp Duty exemption: Full exemption on a) deeds executed for purchase/lease of land, shed and buildings and on deeds of transfer of land lease and b) up to 3 years on execution of deeds related to loan and advances from the date of sanction of loan by bank/financial institution.
- Exemption/concession in land premium on allotment of land in industrial areas/industrial parks: 20% to 60% of land premium.
- Project Report Subsidy: 1% of fixed capital investment subject to maximum of Rs. 0.1 to 0.2 million.
- Quality Certification subsidy: Reimbursement of 50% of amount spent on quality certification subject to maximum of Rs. 0.1 million for each certification.
- Technical Patent subsidy: Reimbursement of 50% of amount spent on registration of patent subject to maximum of Rs. 0.5 million for each patent.

7. Subsidy per unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy

Year wise release of funds are:

Financial Year	Budget Allocation (in Rupees million)	Expenditure (in Rupees million)
2017-18	2032.41	1,998.25
2018-19	1896.30	1,722.91

8. Duration of subsidy and or any other limits attached to it, including date of inception/comment

The schemes under the policy are available for 5 years with effect from 01 November 2014 to 31 October 2019.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

4 SCHEMES OF THE STATE GOVERNMENT OF GUJARAT

4.1 Scheme for Incentive to Industries

1. Title of Subsidy

Financial assistance by way of Net Value Added Tax/Net State Goods and Services Tax (SGST) reimbursement to Micro, Small and Medium Enterprises (MSMEs), Large, Mega & Ultra Mega Industrial Undertakings.

2. Period covered by the Notification

2018-19.

3. Policy Objective and/or purpose of subsidy

To attract increased investments in the state in the manufacturing sector to create more employment opportunities and achieve balanced regional growth and inclusive development of the state.

4. Background and authority of the subsidy

The background of the scheme is stated at No. 3 (Policy Objective) above. The details of scheme can be seen at <https://ic.gujarat.gov.in/large-incentives>. The administering authority for scheme is Industries & Mines Department of State Government of Gujarat.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Reimbursement of Net VAT/Net SGST Paid.

6. To whom and how subsidy is provided

This scheme is applicable to a New Industrial Undertaking or an Existing Industrial undertaking that undertakes expansion and which commences the commercial production during the operative period of the scheme (i.e. between 25 July 2016 and 24 July 2021). The incentive is available in form of reimbursement only. The industrial undertaking shall be reimbursed the eligible incentive up to the extent of the State GST paid on intra-state sale, subject to the tax actually realized in the government treasury, within the overall ceiling of eligible amount and period. Incentives is allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds for FY 2018-19 are as below:

Financial Year	2018-19
Expenditure (in Rupees million)	NIL

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The scheme came into force from 25 July 2016 and will remain applicable for a period of five years, i.e. up to 24 July 2021.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to assess the trade effects, if any, that may result from this subsidy.

4.2 Scheme for assistance for Plastic Industries

1. Title of Subsidy

Financial assistance for Plastic Industry of Net VAT/Net State Goods and Services Tax (SGST) reimbursement to Micro, Small and Medium Enterprises (MSMEs).

2. Period covered by the Notification

2016-17 to 2018-19.

3. Policy Objective and/or purpose of subsidy

To attract increased investments in the state in the manufacturing sector to create more employment opportunities and achieve balanced regional growth and inclusive development of the state.

4. Background and authority of the subsidy

The background of the scheme is stated at No. 3 (Policy Objective) above. The details of scheme can be seen at <https://ic.gujarat.gov.in/large-incentives>. The administering authority for scheme is Industries & Mines Department of State Government of Gujarat.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Reimbursement of Net VAT/Net SGST Paid.

6. To whom and how subsidy is provided

This scheme is applicable to a New Industrial Undertaking or an Existing Industrial undertaking that undertakes expansion and which commences the commercial production during the operative period of the scheme (i.e. between 01 January 2015 and 31 December 2019). The incentive is available in form of reimbursement only. The industrial undertaking shall be reimbursed the eligible incentive up to the extent of the State GST paid on intra-state sale, subject to the tax actually realized in the government treasury, within the overall ceiling of eligible amount and period. Incentives is allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Net VAT/ Net SGST reimbursed to an industrial undertaking in one financial year will not exceed one-seventh of the total amount of eligible incentive.

Release of funds for FY 2016-17 to 2018-19 are as below:

Financial Year	2016-17	2017-18	2018-19
Expenditure (in Rupees million)	NIL	NIL	NIL

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The scheme came into force from 01 January 2015 and will remain applicable for a period of five years, i.e. up to 31 December 2019.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to assess the trade effects, if any, that may result from this subsidy.

4.3 Gujarat Aerospace & Defence incentive scheme for Aerospace & Defence Enterprises

1. Title of Subsidy

Gujarat Aerospace and Defence (A&D) incentive scheme for Aerospace and Defence Enterprises.

2. Period covered by the Notification

2016-17 to 2018-19.

3. Policy Objective and/or purpose of subsidy

To attract increased investments in the state in the Aerospace and Defence sector to create more employment opportunities and achieve balanced regional growth and inclusive development of the state.

The vision of the government is to establish Gujarat as a hub for indigenous aerospace and Defence Manufacturing, develop globally competitive talent in the sector, promote investment in R&D to drive

globally recognized innovation in product design and manufacturing, and support enabling institution in the A&D manufacturing ecosystem.

4. Background and authority of the subsidy

The background of the scheme is stated at No. 3 (Policy Objective) above. The details of scheme can be seen at <https://ic.gujarat.gov.in/large-incentives>. The administering authority for scheme is Industries & Mines Department of State Government of Gujarat.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Reimbursement of Net VAT/Net SGST Paid.

6. To whom and how subsidy is provided

This scheme is applicable to a New A&D Enterprise or an Existing A&D Enterprise that undertakes expansion and which commences the commercial production during the operative period of the scheme (i.e. from 19 December 2016 to 31 December 2025). The incentive is available in form of reimbursement only. The A&D Enterprise shall be reimbursed the eligible incentive up to the extent of the State GST paid on intra-state sale, subject to the tax actually realized in the government treasury, within the overall ceiling of eligible amount and period. Incentives is allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Net VAT/ Net State GST reimbursed to an A&D Enterprise in one financial year will not exceed one-tenth of the total amount of eligible incentive.

Release of funds up to FY 2016-17 to 2018-19 areas below:

Financial Year	2016-17	2017-18	2018-19
Expenditure (in Rupees million)	NIL	NIL	NIL

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The scheme came into force from 19 December 2016 and will remain applicable for a period of ten years, i.e. up to 31 December 2025.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to assess the trade effects, if any, that may result from this subsidy.

4.4 Scheme for assistance for Labour Intensive Industries

1. Title of Subsidy:

New Industrial Policy 2015: Scheme for assistance for Labour Intensive Industries.

2. Period Covered by Notification

2015-16 to 2018-19.

3. Policy Objective and/or purpose of subsidy

The role of labour intensive industries is to enable Government & Private enterprises in different sectors to fully exploit the young population of the State generating maximum employment. In view of this the Government intends to provide adequate thrust to the labour intensive industries by

provisioning specific packages that would become catalytic to state's industrial development and to provide certain incentives to employment intensive industrial sector like Garment, Apparels & Made-Ups industry, Agro and Food processing, assembling enterprises and others similar sectors that have large scale opportunities for generation of employment.

4. Background and authority of the subsidy

The details of scheme can be seen at <https://ic.gujarat.gov.in/large-incentives>. The administering authority for scheme is Industries & Mines Department of State Government of Gujarat.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Reimbursement of Net VAT/Net SGST Paid.

6. To whom and how subsidy/Assistance is provided

This scheme is applicable to a New Industrial Undertaking or an Existing Industrial undertaking that undertakes expansion and which commences the commercial production during the operative period of the scheme (i.e. between 01 January 2015 and 31 December 2019).

An enterprise of the following industries/ sector which provides the employment to minimum number of persons as mentioned against its name of sector will be eligible.

- a. Garment, Apparels & Made ups Industry – 300 persons
- b. Agro & Food Processing – 100 persons
- c. Assembling Enterprises with partial manufacturing facilities – 100 persons
- d. Any other labour intensive industries/ sector, with minimum persons required to be employed by it, as decided by the State Level Empowered Committee time to time.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds in 2015-16 to 2018-19 are as below:

Financial Year	2015-16	2016-17	2017-18	2018-19
Expenditure (in Rupees million)	NIL	NIL	NIL	NIL

8. Duration of the subsidy/Assistance and/or any other time limits attached to it, including date of inception/commencement

The scheme came into force from 01 January 2015 and will remain applicable for a period of five years, i.e. up to 31 December 2019.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to assess the trade effects, if any, that may result from this subsidy.

4.5 Scheme of assistance to Mega/Innovative Projects

1. Title of Subsidy

Scheme for Assistance to Mega/Innovative Projects

2. Period covered by the Notification

2016-17 to 2018-19.

3. Policy Objective and/or purpose of subsidy

The State Government intends to promote and facilitate mega projects in certain focus sectors that have a large multiplier effect on economy, leading to employment generation and have inclusive development of the state. Such projects are expected to promote ancillary and auxiliary industries, particularly in SME sectors. Thus facilitating development of Mega Projects is being envisaged as a key strategy to trigger large scale economic activity in the state.

With the objective of remaining forefront of competition and technology innovation, and to attract large-scale investment with state-of-the-art technology, the government also intends to encourage and attract investment in innovative projects.

4. Background and authority of the subsidy

The background of the scheme is Industrial Policy 2009 and 2016. The details of scheme can be seen at <https://ic.gujarat.gov.in/large-incentives>. The administering authority for scheme is Industries & Mines Department of State Government of Gujarat.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Reimbursement of VAT/SGST Paid.

6. To whom and how subsidy is provided

This scheme is applicable to a new Mega/Innovative Projects which commences the commercial production during the operative period of the scheme (i.e. from 01 July 2016 to 30 June 2021). The incentive is available in form of reimbursement only. The Mega/Innovative Projects shall be reimbursed the eligible incentive up to the extent of the State GST paid on intra-state sale, subject to the tax actually realized in the government treasury, within the overall ceiling of eligible amount and period. Incentives is allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds up to 2016-17 to 2018-19 areas below:

Financial Year	2016-17	2017-18	2018-19
Expenditure (in Rupees million)	965.4	1,153.2	518.3

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The scheme came into force from 1 July 2016 and will remain applicable for a period of five years i.e. up to 30 June 2021.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to assess the trade effects, if any, that may result from this subsidy.

4.6 Schemes under Gujarat Textile Policy – 2012

1. Title of Subsidy

Schemes under Gujarat Textile Policy – 2012: Integrated approach to strengthen the value chain, Farm- Fiber- Fabric- Fashion (Garment) to Foreign (export) Financial assistance by way of Interest Subsidy, VAT/SGST Assistance, and Power Tariff.

2. Period covered by the Notification

2013-14 to 2018-19.

3. Policy Objective and/or purpose of subsidy

With the objective of continuing the leadership in the textile industry with a vision of Enhancing the sustainable growth of Farmers by way of Value Addition and to strengthen the value chain for the overall growth of Cotton Textile industries in one hand and Synthetic Filament Textile Industry on the other. State Government intend to provide necessary support for entire value chain i.e. Ginning, Spinning, Weaving, Dyeing & Processing, Knitting, Apparel, Garmenting and Technical Textiles either for new investment and expansion or for technology upgradation to become internationally competitive.

4. Background and authority of the subsidy

The background of the scheme is stated at No. 3 (Policy Objective) above. The details of scheme can be seen at <https://ic.gujarat.gov.in/large-incentives>. The administering authority for scheme is Industries & Mines Department of State Government of Gujarat.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

- Interest Subsidy will be at the rate of 5% per annum (7% for spinning unit and garment/made-ups unit and 6% for Technical Textile) for five years.
- Power Tariff subsidy at the rate of Rs.1 per unit to cotton spinning and weaving units for five years.
- VAT/ GST assistance for eight years.

6. To whom and how subsidy is provided

This scheme is applicable to a New Industrial Undertaking or an existing Industrial undertaking that undertakes expansion or Diversification or Modernization and which commences the commercial production during the operative period of the scheme.

Ginning & Pressing, Spinning, Weaving (with or without preparatory) Dyeing & Processing, Knitting, Garment /Made-ups Machine Carpeting, Machine Embroidery and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. within the Textile value chain may be eligible for subsidy under the scheme.

7. Incentive Paid Under Gujarat Textile Policy - 2012

Release of funds in 2013-14 to 2018-19 are as below:

Financial Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Expenditure (in Rupees million)	400.00	1,340.00	3,900.00	7,364.6	9,459.0	1,7404.5

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The scheme came into operation from the date of issuance of the GR Dt. 05/09/2012 and remained in force for five years. Government of Gujarat had extended the Policy for further one year effective from 04 September 2017 to 03 September 2018 vide GR dated 04 September 2017.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to assess the trade effects, if any, that may result from this subsidy.

5 SCHEMES OF THE STATE GOVERNMENT OF HARYANA

1. Title of subsidy

Schemes under the Enterprises Promotion Policy, 2015.

2. Period of Notification

2018-19.

3. Policy objective and/or purpose of Subsidy

The policy objective is to facilitate balanced regional and sustainable development, skill development, generate employment opportunities, increase of MSMEs through cluster development and adopting "Zero Defect Zero Effect" manufacturing practices.

4. Background and authority of the subsidy

The background of the scheme has been stated at No. 3 (Policy Objectives) above. The implementing authority for scheme is Department of Industries & Commerce, Government of State of Haryana.

5. Form of the subsidy (i.e. grant tax, loan, concession)

Grant/Tax Exemptions.

6. To whom and how subsidy is provided

Incentives under the scheme are provided as per details mentioned below:

a. For big projects and large units:

- i) Investment Subsidy on VAT.
- ii) Employment Generation Subsidy: For capacity building.
- iii) Electricity Duty Exemption: 100% exemption for payment of electricity duty for new mega projects for a period of 5-7 years.
- iv) Stamp Duty Refund: Up to 100% refund of stamp duty for the land area meant for industrial use.

b. For Micro, Small and Medium Enterprises:

- i) Investment Subsidy on VAT.
- ii) Interest Subsidy.
- iii) Assistance for Technology Acquisition.
- iv) Testing Equipment Assistance.
- v) Patent Cost reimbursement.
- vi) Assistance for Environment Compliance.

- vii) Energy, Water and Safety Audit.
- viii) Entrepreneurship Development Program.
- ix) Quality Certification.
- x) Stamp Duty Refund.
- xi) Electricity Duty Exemption.
- xii) Market Development Assistance.
- xiii) Collateral Free Credit Guarantee Scheme.
- xiv) Power Tariff Subsidy.
- c. For Textile Sector (apparel/knitting/ embroidery/ technical textiles):
 - i) Investment Subsidy on VAT.
 - ii) Employment Generation Subsidy.
 - iii) Interest Subsidy on term loan.
 - iv) Refund of stamp duty for establishment of enterprise.
 - v) Power Tariff Subsidy.
 - vi) Electricity Duty Exemption.

In addition to above, similar incentives are applicable for sectors namely, Agro industries and food processing, footwear, electronics, software, handicrafts.

7. Subsidy per unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds in 2018-19 are as below:

Financial Year	2018-19
Expenditure (in Rupees million)	694.2

8. Duration of subsidy and or any other limits attached to it, including date of inception/comments

The policy was notified on 14 August 2015 and is effective from 15 August 2015. The policy is continuing.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

6 SCHEMES OF THE STATE GOVERNMENT OF HIMACHAL PRADESH

1. Title of the Schemes

- a. Mukhya Mantri Swawlamban Yojna (MMSY).
- b. Rules Regarding Grant of Incentives, Concessions & Facilities to the Industrial Units in Himachal Pradesh -2004 as amended up to 17.07.2018 (Incentive Rules).

- c. Chief Minister's Start-up/ Innovation Projects/ New Industries Scheme (CMS Start-up scheme).
- d. State Mission on Food Processing (SMFP).
- e. Rural Engineering Based Training Programme (REBTP).

2. Period of Notification:

2018-19.

Duration of all the aforesaid 5 schemes respectively are as below:

- a. Came into effect from 9th February, 2019.
- b. Effective from 2004 onwards.
- c. Effective from 15th November, 2016 onwards.
- d. Effective since 2016 onward.
- e. Effective from 2013-14 onward.

3. Policy objective and/or purpose of the subsidy

- a. To provide self-employment to the bona fide Himachali unemployed youth of 18-45 years of age.
- b. To attract new investments and to provide fiscal benefits all the Industrial units set up in the State of Himachal Pradesh.
- c. Self-employment/ employment generation and income generation.
- d. To promote new ideas/products and processes suitable for commercialization through start-ups.
- e. Facilitate & promote innovation.
- f. To turn the youth from job seeker to job provider.
- g. To upgrade the skills of unskilled target group in rural industrial & technical services.
- h. To encourage entrepreneurship in rural engineering based industries & technical services through capacity building.

4. Background and authority for subsidy (including identification of the legislation under which it is granted)

Background of the schemes has been stated at No. 3 above. Other features of schemes are as below:

- a. Scheme of MMSY was notified by the State Government vide State Gazette notification dated 23.02.2019.
- b. Other incentives are notified for self-employment & to boost industrialization in the State. Authority of release of subsidy in case of MMSY is the concerned Deputy Commissioner of various districts of the State of HP.
- c. The authority of disbursal of incentives under Rules Regarding Grant of Incentives, Concessions & Facilities to the Industrial units in the State of Himachal Pradesh-2004 as

amended up to 17.07.2018 are with the concerned Departments of the Directorate of Industries & the concerned General Manager, District Industries Centre.

5. Form of subsidy

Generally in the form of Grant.

- a. Capital Subsidy on Plant & Machinery.
- b. Interest Subsidy.
- c. Subsidy towards the cost of preparation of feasibility report.
- d. Power Concessions.
- e. State Good and Services Tax (SGST) Reimbursement.
- f. Incentives for promotion of export.
- g. State award scheme for exports, productivity, Quality & outstanding performance in Handicraft & Handloom sector to small scale enterprises.
- h. Incentive for setting up testing centres by Industrial Associations, NGOs, Societies Govt. Corporations/ Public sector undertakings.
- i. Purchase preference.
- j. 0% stamp duty on instruments of conveyance deed and lease deed.
- k. Incentives for Technology Upgradation.
- l. Incentives on installation of new pollution control devices.
- m. Rs. 25,000/- per month as sustenance allowance for one year.
- n. Provision of providing mentoring services, access to their labs, facilities, etc. on a free-of-cost basis.
- o. Marketing/commercialization assistance of up to Rs. 1 million.
- p. Patent filing cost up to Rs 200,000 per Indian and up to Rs.1 million for foreign patent.
- q. Rs. 3 million per incubator per year up to a period of three years.
- r. A grant of maximum Rs. 1 million for meeting the recurring expenditure.
- s. Interest subvention at 5 % up to a loan of Rs 2.5 million for three years.
- t. Land at concessional rate at 50% of the rates fixed.
- u. Stamp duty at 3% only on conveyance deed and lease deed.
- v. Exempted from payment of Central GST/State GST for a period of 3 years or till they reach a turnover of Rs. 20 million per year, whichever is earlier.
- w. Fees for obtaining consent reduced by 10% to 25%.
- x. Subsidy ranging from Rs. 500,000 to Rs. 50 million depending on the scheme in the State Mission on Food Processing.

y. Stipend to trainees at Rs. 2,400 per candidate.

6. To whom and how the subsidy is provided: (customers, or others; through what mechanism; whether fixed or fluctuate amount per unit; if the latter, how determined)

To the applicant after the approval by the District Level Committee (DLC) under the chairmanship of the concerned Deputy Commissioner. The subsidy is released in the term loan account of the beneficiary in the form of Fixed Deposit after the approval of the chairman of DI-C. Subsidy is provided as per eligibility given in the scheme and quantum of subsidy is defined in each scheme.

7. Subsidy per unit or in cases where this is not possible, the total amount or the annual amount budget for that subsidy

Budgetary allocation and expenditure thereof in 2018-19:

Schemes	Budget Allocation Expenditure (in Rupees million)	Expenditure (in Rupees million)
MMSY	800.00	85.0
Incentive Rules	03.80	01.1
CMS Startup	30.00	12.34
SMFP	100.00	40.7
REBTP	08.00	08.0

8. Duration of the subsidy and/or any other time limits attached to it, including date of inspection/commencement

Interest Subsidy at 5% for three years on loan up to Rs 4 million sanctioned by a "Financial Institution". Capital subsidy is one time grant. For other subsidies, duration is from the date of notification of various schemes and are continuing.

9. Statistical data permit an assessment of the trade effects of the subsidy.

It has not been possible to estimate the trade effect, if any, that may result from this subsidy.

7 SCHEMES OF STATE GOVERNMENT OF KERALA

7.1 Entrepreneur Support Scheme (ESS), 2012

1. Title of the subsidy programme

Entrepreneur Support Scheme (ESS) 2012 under the Industrial policy 2012-2013 of the State Government of Kerala.

2. Period covered by the notification

2012-13 to 2018-19.

3. Policy objective and/or purpose of the subsidy

The State Government of Kerala launched ESS by merging and replacing the 9 schemes existed earlier. The ESS intended to provide support to Micro, Small, and Medium enterprises and give one time support to entrepreneurs with due regard to special categories by optimal utilisation of funds and giving flexibility of operation while implementing the scheme.

4. Background and Authority for the subsidy

The ESS merged and replaced nine previous schemes in the Department of industries and titled it as the "Entrepreneur support scheme - 2012" effective from 01/04/2012 onwards.

The implementing authority is the Department of Industries and commerce, State Government of Kerala.

5. Form of subsidy

Assistance under the ESS are released to the units in three stages, as grants.

- a. Start-up Support.
- b. Investment Support.
- c. Technology Support.

6. To whom and how the subsidy is provided (whether to producers, to exporters or others through what mechanism, whether a fixed or fluctuating amount per unit; if the latter, how determined)

All new Micro, Small and Medium Enterprises, engaged in manufacturing activities, job work activities and existing units which undergo expansion, modernisation, diversification and setup in the state, shall be eligible for this assistance.

Assistance under the Entrepreneur Support Scheme (ESS) shall be released to the newly set up unit & existing units in the case of expansion/modernisation/diversification entrepreneur(s)/unit in 3 stages viz. Start up Support, Investment Support and Technology Support.

The start-up support is provided for enterprises prior to commencement of commercial production, Investment Support after the commencement of commercial production and Technology Support after commencing production on acquiring new technology.

- a. An assistance of 15% of the Total Fixed Capital Investment limited to Rs. 20 lakhs will be payable to all MSMEs set up in the state engaged in both manufacturing, job work, and existing units which undergo Expansion, Diversification & Modernisation provided the enterprise is a separate legal entity.
- b. All MSMEs established by entrepreneurs belonging to women, scheduled castes and scheduled Tribes and young entrepreneurs (between the age of 18-45 years) shall be eligible for an assistance of 20% of the Total Fixed Capital Investment limited to Rs. 3 million.
- c. All units including under priority sector i.e., a) Rubber based industries b) Agro based and food processing industries c) Readymade Garments d) Industries manufacturing equipment and machinery for Non-conventional energy generation e) Bio Technology based industries f) 100 % Export Oriented Units g) Bio degradable plastic industries h) Plastic waste recycling industries i) Bio fertilizer industries, shall be eligible for an additional assistance of 10% of the Fixed Capital Investment subject to a ceiling of Rs. 1 million.
- d. In the case of MSMEs set up in the backward districts such as Idukki, Wayanad, Kasaragod and Pathanamthitta, there shall be an additional assistance of 10% of the Fixed Capital Investment subject to a ceiling of Rs. 1 million.
- e. In the case of micro, small and medium industrial units set up after acquiring new technology from approved research institutions, recognized as such by the state or the central Government, there shall be an additional assistance of 10% of the Fixed Capital Investment subject to a ceiling of Rs. 1 million.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Year-wise release of funds from 2012-13 to 2018-19 are indicated below:

Financial Year	Expenditure (in Rupees million)
2012-13	244.70
2013-14	251.30
2014-15	299.95
2015-16	399.76
2016-17	463.39
2017-18	540.00
2018-19	550.00

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement:

This is one time assistance and the maximum eligible assistance is Rs.3 million per applicant unit. The unit should apply for subsidy within one year from the Date of Commencement of commercial Production. The units which availed subsidy should function continuously for 5 years from the Date of Commencement of commercial Production.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

7.2 Scheme for Interest Subvention to Nano Household Enterprises

1. Title of the subsidy programme

Scheme for Interest Subvention to Nano Household Enterprises under the State Government of Kerala Industrial policy 2017-18.

2. Period covered by the notification

2017-18 to 2018-19.

3. Policy objective and/or purpose of the subsidy

- To generate employment opportunities in household through new self-employment projects (Nano Household units).
- To aggregate household/ nano units and increase the extent of potential employment.
- To provide continuous and sustainable employment and increase wage earning capacity of unorganized/ household units.

4. Background and Authority for the subsidy:(including identification of the legislation under which it is granted)

The majority of enterprises in the state fall in the category of nano with Fixed Capital Investment of less than Rs 500,000 and the Government considers it important to promote the nano and house hold sector as this constitutes the key economic sector of the state.

The implementing authority is the Department of Industries and Commerce, in the State Government of Kerala.

5. Form of subsidy:

Interest subvention at the rate of 6% to 8% on the term loans availed by the unit from the financial institution for a period of 3 years on reimbursement basis.

6. To whom and how the subsidy is provided (whether to producers, to exporters or others through what mechanism, whether a fixed or fluctuating amount per unit; if the latter, how determined)

All the Nano and household unit with Fixed Capital Investment is less than Rs.500,000 in both manufacturing and units engaged in job work and included in white and green category as per pollution control norms with connected load of 5 Horse Power (HP) or less are eligible.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

(Figures in Rupees millions)

Financial Year	Budget allocation	Expenditure.
2017-18	50	1.4
2018-19	50	1.6

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The assistance is provided for the first years (on reimbursement basis).after the unit is set up.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

8 SCHEMES OF STATE GOVERNMENT OF KARNATAKA

1. Title of Subsidy

Subsidy schemes under the Industrial policy 2014-19 of the State Government of Karnataka.

The Karnataka State has announced New Industrial Policy 2014-19.

2. Period of notification

2014-15 to 2018-19. (From July 2014 up to October 2019).

3. Policy objective and /or purpose of subsidy

The vision of Karnataka Industrial Policy 2014-19, made effective from 01-10-2014, is to build a prosperous Karnataka through inclusive, sustainable and balanced industrial development thereby creating large employment opportunities.

The objectives of the policy are as follows:

- To maintain an industrial growth rate of 12% per annum.
- To enhance the contribution of manufacturing sector to the state GDP from present level of 16.87% to 20% by end of policy period.
- To attract investment of Rs.5.00 lakh crore.
- To create employment opportunities for 1.5 million persons.

- e. To create an environment to enhance ease of doing business in the State.

4. Background and authority of the subsidy

The background of the scheme is stated at No.3 (policy objective) above. The details of the scheme can be seen at <https://www.karnatakaindustry.gov.in>.

The administering authority for the scheme is the Commissioner for Industrial Development and Director of Industries and Commerce of State Government of Karnataka.

5. Form of the Subsidy

Interest free loan for VAT payment /State GST, Refund of Sales Tax to Industries, Grant for upgrading of old Industrial Areas under Critical Infrastructure.

6. To whom and how the subsidy is provided

The details of standard package of incentives and concessions offered for establishment of Industries under Large, Mega, Ultra Mega, Super Mega category of enterprises are as under:

- a. Exemption from Stamp Duty.
- b. Concessional Registration Charges.
- c. Reimbursement of Land Conversion Fee.
- d. Exemption from Entry Tax.
- e. Subsidy for setting up ETPs/Anchor units.
- f. Interest free loan on VAT payment/SGST.

As per the Industrial policy 2014-19, all New Large & Mega enterprises established in Various Zones are eligible to avail interest free loan on VAT to an extent of 40% to 100% of the value of fixed asset for a period of 7 years to maximum 14 years depending on their investment, creation of direct employment & Zone.

- g. Refund of Sales Tax to Industries.

In Industrial Policies 2009-14 and 2014-19 provisions have been made to sanction special package of incentives and concessions to mega projects with project cost of more than Rs. 2500 million. CST reimbursement sanctioned under special package of incentives & concession is being reimbursed under this scheme.

- h. Industrial Infrastructure for Institutions.

In order to provide quality infrastructure with comprehensive facilities and to attract investors to the State and as stated in 2009-14 and 2014-19 industrial policies, budgetary support provided to upgrade infrastructure facilities in the old industrial areas/estates.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Year-wise release of funds from 2014-15 to 2018-19 are indicated below:

Schemes	Funds released Financial year-wise (in Rupees million)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Interest free loan on VAT payment/ SGST	449.8	997.6	970.2	1,922.3	3,195.9
Refund of Sales					
Tax to					
Industries /					
SGST	53.2	439.9	894.1	799.9	2,994.5
Industrial					
Infrastructure for					
Institutions	229.6	2,153.3	1,166.4	2,826.6	1,866.1

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The Karnataka Industrial policy and package of Incentives and concessions has come in to effect from 01-10-2014 and will be valid for a period of five years or till a new policy is announced.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

9 SCHEMES OF STATE GOVERNMENT OF MADHYA PRADESH

1. Title of subsidy

- Schemes under the Industrial Promotion Policy-2014 (Amended as on 2018):
Department of Industrial Policy and Investment Promotion.
- Schemes under the MP MSME Development Policy, 2017:
Department of Micro, Small & Medium Enterprises.

2. Period of Notification

2014-15 to 2018-19.

3. Policy objectives and/or purpose of Subsidy

The policy objective is to achieve inclusive growth and bring economic prosperity to the people of the state through sustainable industrialisation, employment generation, skill set enhancement, balanced regional development, ease of doing business and environment friendly practises in enterprise development.

4. Background and authority of the subsidy

The background of the scheme has been stated at No. 3 (Policy Objectives) above.

Large industries having investment of above Rs. 100 million in plant & machinery and building are being dealt by Department of Industrial Policy and Investment Promotion, State Government of Madhya Pradesh. Hence the implementing authority for Industrial Promotion Policy-2014 (as amended in 2018) is Department of Industrial Policy and Investment Promotion. Details of the scheme can be accessed at www.mpindustry.gov.in and <https://invest.mp.gov.in>.

With the creation of separate Department for Micro, Small and Medium Enterprises in the year 2017, a separate policy for development of MSMEs has come into force from 16-11-2017. Hence the

implementing authority for MP MSME Development Policy, 2017 is Department of Micro, Small and Medium Enterprises, State Government of Madhya Pradesh. Details of the scheme can be accessed at <https://mpmsme.gov.in>.

5. Form of the subsidy (i.e. grant tax, loan, concession)

Grant/Exemptions/Reimbursement/Concessions, as applicable. With the advent of GST regime from 01 July, 2017, a tax delinked investment assistance spread over 7 years is offered to industries ranging from 10% to 40% of capital investment in the unit in case of large industries whereas in case of MSMEs, an investment subsidy of 40% of investment in plant and machinery in 5 equated annual instalments is being offered.

6. To whom and how subsidy is provided

To Large Industries Incentives provided under the Investment Promotion Policy-2014 (as amended in 2018) are as under:

- a. **Assistance for Green Industrialization:** Small, Medium, Large & Mega industries shall be provided a capital subsidy of 50% up to a maximum of Rs. 2.5 million for investment in setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant etc.), pollution control devices, health and safety standards, water conservation/harvesting etc.
- b. **Investment Promotion Assistance for Large Scale Industry:** Large scale industries commencing their commercial production from 1 April 2018 to 31 March 2022 will be eligible for Investment Promotion Assistance in lieu of VAT/CST assistance and Entry Tax exemption following the introduction of GST system.
- c. **Electricity duty exemption:** All eligible units having "High Tension (HT)" connection by any DISCOM in the state shall be exempted from electricity duty for a period ranging between 5 to 10 years.
- d. **Mandi Fee exemption:** All Food processing units including expansion and diversification shall be given exemption from Mandi fee for a period of five years or a maximum of 50% of investment in plant & machinery (whichever is lower).
- e. **Incentive on Training expense/Employment generation**
 - i. Training expense reimbursement: Expenditure reimbursement of Rs 13000/- per new employee for 5 years, for skill development and training, towards the needs of technical and skilled workers in textile projects.
 - ii. Employment generation subsidy: All the new employees appointed in the period of first eight years from the date of commencement of commercial production in the unit by the employer, will be eligible to receive benefit of an assistance of Rs 5000/- per employee per month. The assistance period will be maximum 5 years. This assistance will be limited to a period of 10 years from the date of commencement of commercial production, which means that the new employee appointed in the eighth year will be eligible for employment generation subsidy from the date of appointment for the next two years.
- f. **Reimbursement of Stamp Duty and Registration Fee:** Units who take land on lease in industrial areas established by the State Government, will be reimbursed the stamp duty and registration fee charged on lease land.
- g. **Exemption from Land Development fee:** In accordance with the provisions of Madhya Pradesh State Industrial Land and Building Management Rules, 2015, in addition to the effective relaxation of land premium, garmenting units will be given 50% discount in the development fee charged on units in the case of taking lease land in the industrial area.

- h. **Concession on Electricity duty:** All eligible new units will be provided electricity duty exemption for a period of 7 years from the date of taking the electrical connection.
- i. **Concession on Power tariff:** Power supply at a fixed rate of Rs 5 per unit on any new electrical connection, for 5 years from the date of commercial production in the project.

Note: Only units established in industrial areas developed by Trade and Investment Facilitation Corporation Ltd/Audogik Kendra Vikas Nigam or notified industrial areas shall be eligible for these incentives.

j. **Special Incentive Package for Warehousing and Logistics sector:**

- Investment assistance to the tune of 15% (cap of Rs.150 million) on GFCI.
- Infrastructure development assistance to the tune of 50% (Cap of Rs. 10 million) to construct access infrastructure to the site.
- 100% reimbursement of Stamp duty and registration charges on the loan document.
- Electricity duty exemption.
- Relaxed FAR of 1:0.60 and maximum ground coverage of 60%.

k. Additional Benefit (Governed by MPERC's Tariff order):

Rebate for new HT connections: A rebate of Rs 1/Unit or 20% whichever would be less is applicable in energy charges for new connection for the consumption recorded. The rebate shall be allowed up to the FY 2021-22 from the date of connection for such new projects for which agreements for availing supply from licensee are finalized during and after FY 2016-17.

Incentives provided to Micro, Small and Medium Enterprises under the Madhya Pradesh MSME Development Policy-2017 are as under.

- a) **Industrial Development Subsidy:** Post GST, a tax delinked investment assistance of 40% of investment in plant and machinery in 5 equated annual instalments.
- b) **Green industrialisation:** Capital subsidy of 50% subject to maximum of Rs. 2.50 million for investment in setting up of waste management systems, pollution control devices, health and safety standards, water conservation/harvesting etc.
- c) **Electricity Duty exemption:** All eligible units obtaining high tension power from DISCOMs for a period of 5 to 10 years.
- d) Patent/IPR Cost reimbursement subject to maximum of Rs. 500,000.
- e) Reimbursement of 50% of fee, subject to maximum of Rs. 300,000, for obtaining quality certification.
- f) Reimbursement of 100% contribution in Contributory Provident Fund for 5 years, subject to maximum of Rs. 500,000 to such eligible industrial units which are contributing maximum Rs. 1,000/- per permanent employees as employer's contribution with a condition of minimum 10 employees on its permanent roll.
- g) Infrastructure Development Assistance: 50% assistance subject to a maximum of Rs 2.50million each, shall be provided to medium, subject of MSME scale industrial units for developing power, water & road infrastructure, if the investor acquires private land or gets undeveloped government land for setting up of project.
- h) Assistance for Upgradation of Powerlooms.
- i) Capital subsidy of 20% of cost subject to maximum of Rs 20 million for setting up Industrial parks/flatted industrial complex having at least 5 food processing units and minimum area of 5 acres/carpet area of 10,000 sq. ft.

7. Subsidy per unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy

Year-wise expenditure on industrial subsidies under Department of Industrial Policy & Investment Promotion:

(Amount in Rupees million)

Financial Year	Expenditure
2014-15	5,676.1
2015-16	9,054.7
2016-17	12,908.5
2017-18	7,502.3
2018-19	5,324.7

Year-wise expenditure on Industrial subsidies under Department of Micro, Small & Medium Enterprises:

(Amount in Rupees million)

Financial Year	Expenditure
2016-17	1,580.7
2017-18	1,570.0
2018-19	1,666.0

8. Duration of subsidy and or any other limits attached to it, including date of inception/comments

The incentives under the Investment Promotion Policy-2014 are effective from 1 November 2014 and are applicable up to 31 March 2022. Special incentive packages to Readymade Garment units and Warehousing and Logistics sector are effective from 09-04-2018 and 22-06-2018 respectively and are applicable up to 31 March 2022. Investment Promotion Assistance (post GST) is effective from 1 April 2018 and are applicable up to 31 March 2022.

The incentives under the Madhya Pradesh MSME Development Policy-2017 are effective from 1 April 2018 and will remain in force till it is amended or superseded by the State Government.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate what trade effects, if any, may result from these subsidies.

10 SCHEMES OF THE STATE GOVERNMENT OF MAHARASHTRA

1. Title of Subsidy

Package Scheme of Incentives – 2013 (PSI – 2013).

2. Period of Notification

2018-19.

3. Policy Objective and/or Purpose of the Subsidy

The broad objectives of scheme are as below:

- Encourage the dispersal of industries to lesser developed areas of the State so as to achieve higher and sustainable economic growth.
- Emphasise on balanced regional development and employment generation through greater private and public investment in industrial development.

4. Background and authority for the Subsidy

The Package Scheme of Incentives, introduced in 1964, has been amended from time to time. The Package Scheme of Incentives-2007 was in operation from 1 April 2007 to 31 March 2013. Same was discontinued from 31 March 2013 and new Scheme, viz. Package Scheme of Incentives-2013 under Maharashtra Industrial Policy-2013 has been launched from 1 April 2013. The implementing authority for scheme is Industries, Energy and Labour Department, State Government of Maharashtra. Details of the scheme can be accessed under "Investor's guide" at <http://di.maharashtra.gov.in>.

5. Form of the Subsidy (i.e. grant tax, loan, concession)

Exemption/Refund.

6. To whom and how the Subsidy is provided

The following categories of eligible industrial units in the Private Sector, State Public Sector, Co-operative Sector, Central Public Sector/Joint Sector are eligible for incentives under the Package Incentive Scheme-2013:

- a. Industries listed in the First Schedule of the Industries (Development and Regulation) Act, 1951, as amended from time to time.
- b. Manufacturing Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.
- c. Information Technology (IT) units registered with Directorate of Industries or Maharashtra Industrial Development Corporation or Development Commissioner (SEEPZ) or STPI in the state.
- d. Cold Storages.
- e. Biotechnology (BT) units as specified by Government from time to time, which are outside the purview of any registering authority mentioned above.
- f. Mechanized Food/Agro processing industries in the following sectors:
 - Dairy, Fruit & Vegetable processing.
 - Grain processing.
 - Fish processing.
 - Consumer foods including packaged foods.
 - Non- alcoholic beverages from fruits and vegetables.

The package of incentives consists of:

- a. Fiscal incentives for MSMEs/Large Scale Industries: The quantum of financial incentives is linked to fixed capital investment and incentives are for a period of 7-10 years.
- b. Industrial Promotional Subsidy (IPS) for MSMEs and Large Scale Industries: The subsidy is linked to taxes paid by industrial units and the quantum of subsidy vary depending upon category of area where MSME/Large Scale Industry is set up.
- c. Interest Subsidy: All new eligible Micro, Small & Medium Manufacturing Enterprises in areas other than Group A (as defined in scheme) are eligible for interest subsidy. The interest subsidy is payable only on the interest actually paid to the Banks and Public Financial Institutions on the term loan for acquisition of fixed capital assets. The quantum of interest subsidy payable every year will not exceed the bills paid for electricity consumed during the relevant year.

- d. Exemption from Electricity Duty: Eligible new units (as defined in scheme) are exempted from payment of electricity duty during the eligibility period not exceeding 15 years. In Group A & B area (as defined in scheme), 100% Export Oriented Units (EOUs), Information Technology (IT) and Bio-Technology (BT) units are also be exempted from payment of Electricity Duty for a period of 7 years.
 - e. Waiver of Stamp Duty: New as well as units undertaking Expansion /Diversification are exempted from payment of stamp duty in areas defined under the scheme. However, in A and B areas (as defined in scheme), Stamp Duty exemption available for BT & IT manufacturing units in Public Parks, BT & IT manufacturing units in private parks and for Mega Project, is 100%, 75% & 50%, respectively.
 - f. Power Tariff Subsidy: Eligible New Micro, small and Medium Enterprises (MSME), except the units in Group A areas, are eligible for power tariff subsidy.
 - g. Subsidy for technology upgradation, quality certification, clean production measures, patent registration, conservation/recycling of water is also provided to MSMEs/Large Scale Industries.
7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds in 2018-19 are as below:

Financial Year	2018-19
Expenditure (In Rupees million)	30,350

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

The PSI -2013, as may be amended by the Government from time to time, shall remain in operation from 1st April 2013 till new scheme comes into force.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate what trade effects, if any, may result from this subsidy.

11 SCHEMES OF STATE GOVERNMENT OF ODISHA

1. Title of subsidy

Value Added Tax scheme available under Industrial Policy, 2007 and 2015.

2. Period of Notification

2011-12 to 2018-19.

3. Policy objective and/or purpose of Subsidy

To encourage the Industrialization in the State.

4. Background and authority of the subsidy

The background of the scheme is given at No. 4 (Policy Objective) above. The implementing authority for the scheme is Department of Industries, State Government of Odisha.

5. Form of the subsidy (i.e. grant tax, loan, concession)

Reimbursement.

6. To whom and how subsidy is provided

Under industrial Policy 2007:

- a. New industrial units in Priority Sector are eligible for reimbursement of 75% of VAT paid, for a period of 5 years from the date of starting commercial production limited to 100% of fixed capital investment.
- b. New industrial units in Thrust Sector shall be eligible for reimbursement of 75% of VAT paid, for a period of 10 years from the date of starting commercial production limited to 200% of fixed Capital investment.

Under industrial Policy 2015:

- a. New industrial units in Priority Sector shall be eligible for reimbursement of 100% of net VAT, paid for a period of seven years from the date of commencement of production limited to 200% of cost of Plant and Machinery.
- b. New Pioneer Units under each Priority Sector shall be eligible for reimbursement of 100% of net VAT paid for a period of nine (9) years from the date of commencement of production, limited to 200% of the cost of plant & machinery in a tapered manner (as indicated above).
- c. Anchor Tenant in each industrial park shall be eligible for reimbursement of 100% of net VAT paid for a period of nine years from the date of commencement of production, limited to 200% of the cost of plant & machinery.

7. Subsidy per unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy

Year-wise VAT reimbursement release of funds from 2007-08 to 2018-19 are indicated below.

Financial Year	Total Expenditure (in Rupees million)
2011-12	251.84
2012-13	325.00
2013-14	120.10
2014-15	155.96
2015-16	572.90
2016-17	262.70
2017-18	361.27
2018-19	3,342.87

8. Duration of subsidy and or any other limits attached to it, including date of inception/comments

The Scheme is applicable from financial year 2007-08 and is still continuing under the provision made in IPR 2007 and IPR 2015.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate trade effects, if any, that may result from this subsidy.

12 SCHEMES OF THE STATE GOVERNMENT OF PUNJAB

1. Title of Subsidy

Incentives under Textile Policy, 2006.

2. Period covered by the notification

2018-19.

3. Policy objective and/or purpose of subsidy

The main objectives of this Policy are:

- a. To facilitate the textile industry of the State to attain and sustain a premium global standard.
- b. To facilitate cluster formation so as to promote collective efficiency of textile units by improving their business processes and support system.
- c. To provide special benefits to textile industry.
- d. To boost textile industry in the State and create employment opportunities in large numbers.

4. Background and authority of the subsidy

The background has been stated at No. 3 (Policy Objectives) above. The implementation authority for the schemes is Department of Industries & Commerce, State Government of Punjab.

5. Form of the subsidy (i.e. grant, tax, loan, concession)

Concessions/exemptions.

6. To whom and how subsidy is provided and how determined

The incentives are provided to textile sector as per detail below:

- a. Technology Upgradation: Under the Technology Upgradation Fund Scheme (TUFS) of Government of India, state government facilitates maximum investment for spinning, weaving and processing industries which are capital intensive and have high employment generation potential. Capital ceiling under the TUFS for small scale textile industry has also been increased.
- b. Cluster Development: Development of integrated textile parks with all requisite facilities at one place to give a major boost to textile industry in the state.
- c. 100% waiver of electricity duty for a period of 7 years for mega textile projects.
- d. No departmental charges for use of canal water for textile mega projects.
- e. Full acquisition of land for textile mega project, if requested by the company.
- f. Liberalised labour laws.

7. Subsidy per unit or in case where this is not possible, the total amount or the annual amount budgeted for that subsidy

The incentives provided are mentioned in No. 6 above. No specific amount has been budgeted for the incentives. 10 cases have been sanctioned the incentive of 100% Electricity Duty exemption for seven years, under this policy. This being an exemption, quantum cannot be determined.

8. Duration of subsidy and or any other limits attached to it, including date of inception/commencement

The Textile Policy 2006 was notified on 11 July 2006 and incentives under the policy are applicable from the date of notification. The policy is still continuing.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

13 SCHEMES OF THE STATE GOVERNMENT OF TRIPURA

1. Title of Subsidy

Industrial Investment Promotion Incentive (Amendment) Scheme, 2017.

2. Period of Notification

2018-19.

3. Policy objective and/or purpose of subsidy

The broad objectives of the scheme are:

- a. Optimal utilization of natural and physical resources.
- b. Generation of better employment and self-employment opportunities.
- c. To encourage and attract the entrepreneurs in the priority (Thrust) sectors in the State, special emphasis are being given by providing suitable assistance.

4. Background and Authority for the Subsidy

Background for the scheme is stated at No. 3 (Policy objectives) above. The Implementing Authority for scheme is the Directorate of Industries and Commerce, Department of Industries and Commerce, Government of Tripura.

5. Form of Subsidy (i.e. grant, loan, tax concession, etc.)

Subsidy is provided in the form of Grant/ Reimbursement/ Exemption.

6. To whom and how subsidy is provided and how determined

The Scheme is applicable to all Large, Micro, Small and Medium Enterprises which commence their commercial production in the State of Tripura on or after the first day of April 2017, but before or on thirty-first day of March 2022. The scheme has following components:

- a. Capital Investment subsidy at 30% on fixed capital investment subject to a ceiling of Rs. 6 million per Enterprise. For Thrust Sector industries, 40% with ceiling of Rs. 7 million per enterprise. Wherever an enterprise is eligible for Capital Investment Subsidy under North East Industrial Development Scheme (NEIDS), 2017, the enterprise shall have to mandatorily apply for the subsidy under NEIDS, 2017. The amount of subsidy to be provided under the clause shall stand reduced to the extent of subsidy entitlement under NEIDS, 2017.
- b. Industrial Promotion Subsidy (reimbursement of GST) subject to an overall ceiling of Rupees 6 million per annum per enterprise. In case of Thrust Sector industries, the annual upper ceiling of payment of Industrial Promotion subsidy shall be Rs. 100 million per

enterprise. The aggregate limit of entitlement of an enterprise for 5 years shall not exceed 100% value of investment made in plant and machinery.

- c. 25% Reimbursement of Power Charge: maximum of Rs 1.2 million per annum per enterprise. In case of Thrust Sector industries, the maximum amount of reimbursement of power charges shall be Rs. 2.0 million per annum per enterprise.
 - d. 4% Reimbursement of Interest on Term loans subject to maximum of Rs. 0.3 million per annum per enterprise. In case of Thrust Sector Industries, Partial Reimbursement of Interest paid on Term Loan shall be provided at 5% with an upper ceiling to Rs. 1 million per annum per enterprise.
 - e. 100% Exemption from the payment of Earnest Money and Security Deposits on tenders floated by the State Govt./Departments/Agencies.
 - f. Employment Cost subsidy under Thrust Sector towards Employees Provident Fund and Employees State Insurance contribution on employment of 20 or more people skilled and semi-skilled workers who are domicile of the State.
 - g. Subsidy for participation in fares and exhibition (Thrust sector only) at 50% of actual expenditure for one person and transportation cost of goods for display/sale with maximum ceiling of Rs. 50,000/- per annum.
 - h. In addition, the service activities, namely, Hotel Business, Tourism Promoting Activities (Water-Sports, Rope Ways, Adventure and Leisure Sports) with a minimum investment of Rs. 30 million (excluding land) and Hospitals/Nursing Homes with a minimum capacity of 50 beds shall mean Thrust Sector Industries.
7. Subsidy per unit or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Release of funds in 2018-19 are as below:

Financial Year	2018-19
Expenditure (in Rupees million)	38.00

8. Duration of the subsidy and/ or any other time limits attached to it including the date of inception and commencement

The subsidy is available for 5 years to all Large, Micro, Small and Medium Enterprises which commence commercial production in the State of Tripura on or after the 1 April 2017 but before or on 31 March 2022.

9. Statistical data permitting an assessment of the trade effect of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.

14 SCHEMES OF THE STATE GOVERNMENT OF UTTARAKHAND

1. Title of Subsidy

Incentives under Micro, Small and Medium Enterprises (MSME Policy)-2015.

2. Period of Notification

2018-19.

3. Policy Objective and/or Purpose of the Subsidy

Government of the State of Uttarakhand launched "MSME Policy-2015" for promoting investments in the MSME sector. The policy aims at utilizing local resources, generating employment opportunities especially in hilly regions, promoting self-employment, efficient use of water resources, treatment and recycling of wastewater, promoting non-conventional sources of energy, green technologies etc.

4. Background and authority for the Subsidy

The background of the scheme has been given in No. 3 (Objective) above. The implementing authority for the scheme is Department of Micro, Small and Medium Enterprises, Government of State of Uttarakhand.

5. Form of the Subsidy

Grant/ Exemption/ Reimbursement/Concessions, as applicable.

6. To whom and how the Subsidy is provided

Subsidy is provided to industry by way of Investment Promotion Assistance, Interest Subsidy, Reimbursement of Value Added Tax, concessions on Stamp Duty, Reimbursement of Electricity Bills, Transport Subsidy etc. The amount of subsidy varies depending upon categorisation of areas viz, A,B,C and D, details of which can be seen at <https://doiuk.org/mysite/policies> and <https://investuttarakhand.com/site/Policies>.

Incentive packages under the scheme are:

- a. Investment Promotion Assistance (Capital Subsidy) – Maximum up to Rs. 4 million.
 - b. Interest Subsidy – Maximum up to Rs 0.8 million per year per unit.
 - c. Reimbursement of SGST- 100% for 5 years (In category- A, B, B+ districts only for manufacturing Units).
 - d. Concession on Stamp Duty - maximum up to 100%.
 - e. Reimbursement of Electricity Bills – up to 100% for first 5 years and up to maximum of 75% thereafter.
 - f. Special State Transport Subsidy- up to maximum of 7% of Annual Turnover or Actual Expenditure (whichever is less) on transport of raw material/ finished products, whichever is less.
7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Though there is no budgeted allocation for various incentive schemes under the policy the amount released under the scheme in 2018-19 is as below:

Financial Year	2018-19
Expenditure (in Rupees million)	202.2

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

Duration of the scheme is from 1st January 2015 to 31st March 2023. However, fiscal Incentives and other benefits under the policy shall be available to the eligible enterprises from the commencement of the production up to a maximum of 5 years.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It has not been possible to estimate the trade effects, if any, that may result from this subsidy.
