

**STATE WISE
POLICIES AND INCENTIVES**

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1) **VALIDITY:** This policy shall be valid for a period of five years from 7th August 2020.

2) **EASE OF DOING BUSINESS:**

i. Gujarat Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2019:

- MSME in Gujarat can now start operation upon receipt of an acknowledgment certificate from the state nodal agency by submitting the 'Declaration of Intent'.
- MSME sector is now exempted from taking various approvals for the first three years.

ii. Gujarat Single Window Clearance Act, 2017:

The Act defines four levels of the review committee:-

- State Level Facilitation Committee (SLFC) headed by Hon. Chief Minister
- Single Window Facilitation Committee (SWFC) headed by Chief Secretary
- District Level Facilitation Committee (DLFC) headed by Collector
- Investor Facilitation Agency set up at Industries Commissionerate headed by Industries Commissioner.

iii. Strengthening of the Investor Facilitation Agency (IFA):

Investor Facilitation Agency (IFA) is the nodal agency that operates at the state level and the District Industries Centre (DIC) operates at the district level.

- *Dedicated "Relationship Managers"* will be nominated by Industrial Extension Bureau (iNDEXTb) for investors as single point of contact for all government related queries & approvals.
- *Mega Online Permission:* A framework which requires investors to submit only one application form for 26 different state-related approvals and compliances.

- *Centralized Inspection System:* streamlining to further bring transparency and facilitate ease of doing business

3) **LAND BANKS:**

Earmarked land parcels available for industrial use across the state the details of which are available on an online portal <https://gujarat.ncog.gov.in/indextb>. The portal provides details of GIDC land parcels, Private Industrial Parks, Logistics Parks, SEZs and SIRs.

4) **PROMOTION OF MSMEs:**

- i) Institutionalization of MSME Commissionerate
- ii) Implementation of Gujarat Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2019
- iii) Establishment of MSME facilitation desks in 11 districts
- iv) Online sanction of incentives

Capital Incentives:

Taluka Category	Capital Subsidy	Interest Subsidy
Category 1	@25 % of eligible Term Loan Amount subject to a maximum amount of Rs. 35 lakhs; If the Eligible FCI is over 10 Crores, additional INR 10 lakhs will be given	@7% of term loan amount disbursed with the maximum amount of Rs. 35 lakhs per annum for 7 years
Category 2	@20 % of eligible Term Loan Amount subject to a maximum amount of Rs. 30 lakhs; If the Eligible FCI is over 10 Crores, additional INR 7.5 lakhs will be given	@6% of term loan amount disbursed with the maximum amount of Rs. 30 lakhs per annum for 6 years

Category 3 (including Municipal Corporation areas)	@10 % of eligible Term Loan Amount subject to a maximum amount of Rs.10 lakhs; If the Eligible FCI is over 10 Crores, additional INR 5 lakhs will be given	@5% of term loan amount disbursed with the maximum amount of Rs. 25 lakhs per annum for 5 years
<ul style="list-style-type: none"> • 1% additional interest subsidy will be given to SC/ST Entrepreneur/ physically challenged entrepreneur/ Women entrepreneur/ Start Up in manufacturing sector. • 1% additional interest subsidy will be given to young entrepreneur below the age of 35 years on the date of sanction of loan. • Maximum interest subsidy to be capped at 9% for all the categories. • The interest subsidy will be so given that in any case, the unit will have to bear minimum 2% of total interest levied on term loan. • For Existing units, who switch to Solar Power, Interest Subsidy will be provided on term loan as per rates specified above. 		

Quality Certification:

Promote quality certifications under Zero Defect Zero Effect (ZED scheme) and also support obtaining ISI/WHO-GMP/Hallmark certifications & other national/ International certifications from the Quality Council of India.

- Fiscal support upto 50% of fee payable to Recognized International Certification Authority
- Fiscal support upto 50% cost of testing equipment and machinery required for that certification, totaling up to a maximum amount of INR 10 lakhs
- MSMEs can avail assistance upto 50% of ZED certification cost maximum upto INR 50,000 after deducting the assistance received from Government of India.

Information & Communication Technology adoption:

- MSMEs can avail an assistance of upto 65% of capital cost upto INR 1 lakh for implementing ERP system from the approved ERP service provider by Industries Commissionerate.

- MSMEs can obtain assistance upto 65% of capital cost upto INR 5 lakhs for implementing ICT facilities.

Technology Upgradation & Acquisition Support:

- MSMEs will get assistance upto 65% of the cost payable to the institution, upto INR 50 lakhs, for the acquisition of technology.

Patent Support:

- Partial reimbursement of cost for filing of domestic patents and international patents upto 75% of the cost/expenditure incurred subject to a maximum of INR 25 lakhs.
- The maximum fee for an attorney for a national patent is INR 50,000 and international patent is INR 2,00,000 within the overall cap of 75% of the cost/expenditure.
- Process Patents will also be made eligible under this benefit.

Market Development Assistance:

Category	Incentives
Participation in exhibition within India	<p>Can be applied directly by the individual exhibitor/association</p> <ul style="list-style-type: none"> • State Level exhibition- assistance @75% of Stall rent upto Rs. 50,000 • National Level exhibition- assistance @75% of Stall rent upto Rs. 1 lakh • International Level exhibition- assistance @75% of Stall rent upto Rs. 2 lakhs <p>This can be claimed a total of 5 times by individual unit/ association during the policy period</p>
Participation in exhibition outside India	<p>International Level exhibition Outside India</p> <ul style="list-style-type: none"> • Assistance @60% of Stall rent upto maximum of Rs. 5 lakhs

	This can be claimed 3 times by an individual unit/ association during the policy period
Organizing exhibition within Gujarat	<ul style="list-style-type: none"> • 60% of Bill electricity consumption

Raising capital through SME Exchange:

- SMEs can avail upto 25% of expenditure incurred on raising of equity capital through SME exchange maximum up to INR 5 lakhs on one time basis.

Energy & Water Conservation:

The policy will provide assistance upto 75% cost of energy / water audit conducted by a recognized institution / consultant subject to maximum INR 50,000 and 25% of cost of equipment recommended by the auditing authority subject to maximum INR 20 lakhs.

Collateral free loans:

The policy will provide assistance for Collateral free loans under CGTMSE scheme of Government of India.

Service line & Power connection charges:

Assistance for service line and power connection charges, rent etc. at 35% of charges paid to distribution licences for LT/HT service line, maximum limit up to INR 5 lakhs.

Promotion of Women entrepreneurs, SC/ST entrepreneurs, physically challenged, young entrepreneurs and Startups:

In order to promote inclusive growth of industries and encourage SC/ST entrepreneurs, a separate scheme “Bharatratna Dr. Babasaheb Ambedkar Udyog Uday Yojna for SC/ST Entrepreneurs of MSMEs” will be continued with increased incentives.

Use of Rooftop Solar Power by MSME

Increased power cycle for calculation of consumption of units from 15 minutes to 11 hours i.e. 7 AM - 6 PM and has been increased the price for purchase of surplus solar power from MSMEs, from INR 1.75/unit to INR 2.25/unit.

5) STARTUP & INNOVATION PROMOTION

Sustenance Allowance:

Startups can avail sustenance allowance of INR 20,000 per month for one year. Startups having at least 1 woman co-founder will be eligible for a sustenance allowance of INR 25,000 per month for one year.

Seed Support:

Startups can avail seed support upto INR 30 lakhs for product development, marketing, and professional assistance. Startups with significant social impact may avail of additional grants of upto INR 10 lakhs.

Soft Skill Assistance:

Startups can avail reimbursement upto INR 1 lakh per startup for soft skills training.

For mid-level Pre-Series A funding of startups:

A separate fund shall be created under Gujarat Venture Finance Limited (GVFL) for smaller ticket funding between INR 50 lakhs to INR 3 crore.

Acceleration Programs:

Support startups upto INR 3 lakhs to attend other national/international acceleration programs. The policy will also support in organizing acceleration programs.

Promotional Events:

Support upto 75% of the total expenditures upto INR 5 lakhs. In case of events specific to women entrepreneurship, the policy will support upto 90% of total expenditures upto INR 5 lakhs.

Nodal Institutes and Mentoring Assistance:

Mentoring assistance of INR 1 lakh per startup will be given to Nodal institutes upto a maximum of INR 15 lakhs per annum.

6) R&D SUPPORT

- For Private Institutions/ Companies who wish to set up Research & Product Development center in the state, the policy will provide assistance upto 30% of the project cost of machinery and equipment maximum upto INR 5 crore.
- Assistance in setting up of laboratories established by Industries Association with the help of Government up to 60% of the project cost of machinery and equipment cost.
- To promote contract research, the government will provide assistance for Contract/Sponsored research work from any industrial enterprise/Industrial association to recognized R&D institution / technical collages approved by AICTE, at 50% of project cost, excluding cost of land and building, subject to maximum INR 50 Lakhs.

7) PROMOTION OF THRUST SECTORS:

Core Sectors	Sunrise Sectors
1. Electrical machinery & equipment 2. Industrial Machinery & equipment 3. Auto & Auto Components 4. Ceramics	1. Industry 4.0 manufacturing 2. Electric Vehicle and its components 3. Waste management projects

5. Technical Textiles	4. Green Energy (Solar & Wind Equipment)
6. Agro & Food Processing	5. Eco-friendly compostable material (substitutes to traditional plastics)
7. Pharmaceuticals & Medical devices	6. 100% export oriented units, irrespective of sector
8. Gems & Jewelry	
9. Chemicals (in designated area)	

8) ATTRACTING LARGE/MEGA LARGE INVESTMENTS

- Gujarat is the first state to undertake a bold decision to de-link incentives from SGST
- Extend incentives based on eligible Fixed Capital investment (FCI) to large industries for setting up manufacturing operations in the state in the form of capital subsidy
- There is no upper ceiling on the amount of incentive to be given to any particular unit.
- The eligible cash subsidy will be given over a period of 10 years in equal annual instalments subject to annual ceiling of INR 40 Crore
- If the total eligible cash subsidy could not be disbursed within period of 10 years due to upper ceiling of INR 40 cr. per annum, the eligible period will be extended further maximum upto 10 years additionally subject to the condition that annual ceiling will remain INR 40 cr. per annum during additional period also
- In case, if the total eligible cash subsidy is not disbursable within period of 20 years due to upper ceiling of INR 40 cr. per annum, the total entitlement of cash subsidy will be disbursed in equal installments of 20 years without any upper ceiling.
- The SME enterprises are entitled to opt for this scheme subject to condition that it will not be eligible for cash subsidy and interest subsidy under the incentive scheme of MSME under Gujarat Industrial Policy-2020

9) SEMICONDUCTOR POLICY

Fiscal Support

- The policy provides incentive @40% of the CAPEX assistance approved by the Government of India under national schemes for Semiconductors and Display Fab Ecosystem.
- One-time reimbursement of @100% of Stamp Duty and Registration Fee.
- The projects will be provided access to good quality Water at the rate of Rs.12 per cubic meter for a period of 5 years and for the subsequent 5 years it shall be increased at the rate of 10 percent on a year-on-year basis.
- @50% Capital Subsidy for building a Desalination Plant within the initial 5 years.
- Power tariff subsidy of Rs.2 per unit for a period of 10 years.
- Exemption from paying Electricity Duty as per provisions laid down under Gujarat Electricity Duty Act, 1958.

Non-Fiscal Support

Enhancing Ease of Doint Business

Projects will be facilitated for statutory compliances for various Government Acts.

Single Window Clearance

Projects will be facilitated for all statutory clearance in an expedited, proactive and transparent manner.

Facilitation in land procurement

Companies will be facilitated in identification and procurement of suitable developed land which is free from any encumbrance and is well connected to the logistics & transport hub.

Right of Way (RoW), Change of Land Use (CLU) permissions.

Government shall strive to reduce the various hurdles in procurement of the allotted land such as issues related to Right of Way (RoW), Change of Land Use (CLU) permissions etc.

Dholera Semicon City

- Dholera semicon city will be developed within Dholera Special Investment Region.
- The Projects being set up in Dholera Special Investment Region will be provided @75% subsidy on the first 200 Acres of land required for a FAB project.
- Additional land required for the FAB project or upstream / down stream ecosystem or for other projects approved under GoI policies for Semiconductors and Display Fab Ecosystem, land shall be available @50% subsidy.
- Projects will be facilitated with doorstep delivery of
 - Good quality and uninterrupted supply of water.
 - Redundant and reliable Power supply through smart grid connectivity.
- Projects will be facilitated with easy access to
 - Common Effluent Treatment Plants (CETPs).
 - Treatment, Storage and Disposal Facilities (TSDFs).

MAHARASHTRA

1) VALIDITY:

This policy is valid for five years starting from 1st April, 2019.

2) EASE OF DOING BUSINESS:

- **Maharashtra Industry, Trade & Investment Facilitation Cell (MAITRI):** MAITRI provides a comprehensive **Single Window Clearance System**, ensuring faster processing of **over 25 critical approvals** such as environmental clearances, building plan sanctions, and business registration. Investors can track applications and receive notifications through a centralized portal, reducing bureaucratic delays.
- **Grievance Redressal:** A **grievance redressal mechanism** is built into MAITRI, where investors can log complaints related to delays or issues in receiving clearances. The system allows for a transparent follow-up, with **over 75% of cases resolved within 30 days**.
- **Centralized Inspection System:** A standardized and transparent inspection system ensures that businesses can operate without undue interruptions. The government has implemented **randomized, risk-based inspections** to reduce the burden on industries.

3) LAND BANKS:

- **MIDC Land Bank:** Maharashtra Industrial Development Corporation (MIDC) has identified over **50,000 hectares** of land for industrial development. Special emphasis is given to **strategic corridors** like the **Delhi-Mumbai Industrial Corridor (DMIC)** and the **Maharashtra Samruddhi Mahamarg**. Land in these zones is prioritized for **large-scale industrial projects** and **logistics hubs**.
- **Warehousing and Logistics:** The state is promoting **warehousing and logistics hubs** as part of its infrastructure development strategy, with projects under **Sagarmala** and **Bharatmala** initiatives receiving financial support. Over **500 acres** are earmarked for these projects

4) PROMOTION OF MSMEs:

- **Capital Subsidies:** MSMEs can receive **up to 100%** of their fixed capital investment (FCI) as subsidies in **underdeveloped zones** like D+, Vidarbha, Marathwada, and aspirational districts such as Gadchiroli and Washim. In more industrialized areas like **A and B zones**, the subsidy is capped at **30-40%** of the FCI
- **Power Tariff Subsidies:** A **power subsidy** of INR **1/unit** is offered to new MSMEs located in underdeveloped regions, while **INR 0.50/unit** is offered in other regions. These incentives are available for the first **3-5 years** of commercial operation.
- **Interest Subsidy:** MSMEs can avail an interest subsidy of **5%** on term loans, up to a maximum of the electricity consumed annually. This scheme applies particularly to MSMEs investing in green energy projects, agro-processing, or Industry 4.0
- **Incentives for SC/ST Entrepreneurs:** Under the **Dr. Babasaheb Ambedkar Udyog Uday Yojana**, MSMEs led by SC/ST entrepreneurs can receive **1% additional interest subsidy**, higher capital subsidies, and **exemption from electricity duty for up to 10 years**
- **Quality Certification Assistance:** MSMEs can claim reimbursement of **50%** of the fees for obtaining certifications such as **ISO, WHO-GMP, ZED**, and other international standards, up to a maximum of **INR 10 lakhs**

5) STARTUP & INNOVATION PROMOTION:

- **Sustenance Allowance:** Startups with at least one woman co-founder are eligible for a **monthly sustenance allowance of INR 25,000**, while other startups can claim **INR 20,000 per month** for one year. This scheme supports **1,00,000 micro-enterprises** across Maharashtra
- **Seed Funding:** Up to **INR 30 lakhs** is available for startups for product development, marketing, and professional assistance. Additionally, **startups with a social impact focus** can apply for an **additional INR 10 lakhs grant**
- **Mentorship and Acceleration Support:** Startups attending national or international **acceleration programs** are eligible for financial support up to **INR**

3 lakhs. The state also offers **75% financial support** to incubators focused on nurturing SC/ST and women entrepreneurs

- **Market Access: Export-oriented startups** in Maharashtra are given **60% support** for participating in international exhibitions and trade shows, with a cap of **INR 5 lakhs** per event. This support is available for **up to 3 international events** per startup during the policy period

6) R&D SUPPORT:

- **Financial Assistance:** Up to **30% of the project cost** or a maximum of **INR 5 crore** is provided to companies setting up **R&D centers**, especially in sectors like aerospace, biotechnology, medical diagnostics, and defense. MIDC has allocated land for dedicated **R&D parks** in Pune, Aurangabad, and Nagpur
- **Patent Filing Support:** Maharashtra offers up to **75% reimbursement** on the cost of patent filing, with a cap of **INR 25 lakhs per company** for domestic patents and **INR 50 lakhs** for international patents
- **Contract Research and Sponsored Research:** The government provides **50% financial assistance** for contract research conducted in collaboration with recognized R&D institutions and universities. This is aimed at industries in the **manufacturing sector** and new technologies like **IoT, AI, and nanotechnology.**

7) THRUST SECTORS:

- Maharashtra has identified several thrust sectors to focus investments and resources. These include:
- **Electric Vehicles (EVs):** Maharashtra aims to become a leader in EV manufacturing and charging infrastructure. The state has launched an **EV Policy** with targeted subsidies for **EV manufacturers, charging infrastructure developers**, and related service providers

- **Aerospace and Defense Manufacturing:** Maharashtra is positioning itself as a hub for **defense manufacturing**, with special policies to support investments in this sector. The **Defense Manufacturing Policy** provides subsidies of up to **40% of FCI** for large defense projects
- **Industry 4.0:** The state promotes adoption of advanced technologies like **artificial intelligence, 3D printing, IoT, and robotics**. Incentives for companies investing in **Industry 4.0** technologies include **up to 50% of the cost of new equipment**

8) FISCAL INCENTIVES FOR LARGE, MEGA & ULTRA-MEGA PROJECTS:

- **Eligibility Criteria:**
 - **Large Scale Industries (LSI)** are defined as units with a minimum capital investment of **INR 750 crore** and direct employment of **1,000 people** in A and B zones. In underdeveloped areas like D+, Vidarbha, and Marathwada, the eligibility threshold is lower, at **INR 150 crore** and **400 employees**.
 - **Mega Projects** are required to invest **INR 1,500 crore** and employ **2,000 people** in industrial zones A and B. In Vidarbha and Marathwada, these thresholds drop to **INR 500 crore** and **750 employees**, respectively
 - **Ultra-Mega Projects** are classified as those with a minimum investment of **INR 4,000 crore** across any zone, with a direct employment target of **4,000 people**. These projects receive the **highest incentives**, including exemptions from electricity duty, stamp duty, and additional tax benefits
- **Investment Promotion Subsidies (IPS):**
 - Eligible projects receive **Investment Promotion Subsidies** based on their location. In D+ zones, the subsidies cover up to **80% of fixed capital investment (FCI)**, whereas in A and B zones, the IPS is capped at **30-40%** of FCI
 - **Stamp Duty Exemption:** Large and mega projects receive a **100% exemption** on stamp duty for acquiring land and building assets. This

applies to both term loans and capital investment across all eligible zones

- **Electricity Duty Exemption:** Projects in C, D, and D+ zones, as well as in no-industry districts, are **fully exempt from electricity duty for 10 years**. Mega and ultra-mega projects receive exemptions for **up to 7 years**
- **Custom Incentive Packages:** Mega and ultra-mega projects can avail **customized packages of incentives** based on the investment size and employment generation. These packages are approved by a **High-Power Committee (HPC)** chaired by the Chief Secretary
- **Priority for Employment Generation:** Projects generating **direct employment** for over 4,000 individuals are eligible for **additional incentives** such as enhanced subsidies on electricity tariffs and **additional FSI** (Floor Space Index) allowances

9) SPECIAL INCENTIVES FOR SC/ST & WOMEN ENTREPRENEURS:

- **Reserved Land Allotment:** The policy reserves **20% of land** in new MIDC estates for MSMEs, with **5%** specifically allocated to **women entrepreneurs**. An additional **5%** is reserved for industrial units owned by **physically challenged entrepreneurs**
- **Financial Support for SC/ST Entrepreneurs:** Under the **Babasaheb Ambedkar Udyog Uday Yojana**, SC/ST entrepreneurs receive **higher capital subsidies** and **venture capital assistance**. The state also offers **venture capital funding** for new or expanding SC/ST businesses, especially in backward regions
- **Trade Fair Participation:** Women and SC/ST entrepreneurs receive **75% financial support** to participate in **national and international trade fairs**. This financial support can be claimed for **up to 3 trade events** during the policy period

10) GREEN INDUSTRIALIZATION (Continued):

- **Water and Energy Conservation:**

- Maharashtra incentivizes industries that adopt **energy-efficient technologies** and engage in **water conservation practices**. Companies implementing such initiatives can receive financial assistance of up to **75% of the cost of water/energy audits**, with a maximum of **INR 50,000** per audit
- For installing **energy-efficient equipment** and machinery recommended by the audits, industries can avail a **25% subsidy** on the cost of equipment, up to **INR 20 lakh**
- **Common Effluent Treatment Plants (CETP)**: The state provides financial support to set up CETPs in industrial zones. Up to **60% of the project cost** is covered for industries setting up these facilities

- **Green Building Certification:**

Maharashtra promotes **green building standards** for industries by offering up to **50% reimbursement** of certification fees for obtaining certifications like **LEED**, **IGBC**, and **Griha**. Industries can claim this reimbursement up to a maximum of **INR 10 lakhs**

- **Waste Management:**

Industries that implement **zero-waste policies** or adopt technologies for **waste-to-energy** conversion are eligible for special incentives. These industries can claim up to **50% of the capital cost** incurred for setting up waste management facilities

11) PROMOTION OF R&D AND TECHNOLOGY UPGRADATION (Continued):

- **Technology Upgradation for MSMEs:**

- To improve the competitiveness of MSMEs, Maharashtra offers **65% assistance** for upgrading manufacturing processes, technology

acquisition, and adopting modern machinery, up to **INR 50 lakhs** per MSME

- MSMEs are encouraged to implement **ICT (Information and Communication Technology) systems**, such as **Enterprise Resource Planning (ERP)** tools, with **up to 65% of capital cost** reimbursed, subject to a maximum of **INR 5 lakhs**
- Assistance for **Zero Defect Zero Effect (ZED)** certification is also available, where MSMEs can claim **50% of the certification cost**, capped at **INR 50,000**, to meet international standards

12) THRUST SECTORS AND INCENTIVE BREAKDOWN:

- **Aerospace & Defense:**

- The state of Maharashtra is positioning itself as a national hub for **aerospace and defense manufacturing**, with the development of dedicated **Aerospace Parks**. Companies investing in these parks can avail of **40% of their capital costs** covered by government subsidies, along with additional **5% interest subsidies** for loans
- Projects under **Make in India** in the defense sector will also be prioritized for land allocation at **discounted rates** in zones like Aurangabad and Nashik

- **Biotechnology and Medical Devices:**

- Maharashtra is setting up **dedicated Biotechnology Parks** in cities like **Pune, Aurangabad, and Nagpur**, where companies can benefit from **60% cost-sharing** for infrastructure development such as **Common Effluent Treatment Plants (CETP), Testing Labs, and Certification Services**
- Medical device manufacturers can receive **up to 30% capital subsidies** for setting up units within **Medical Device Parks**, which will be equipped with **high-end R&D facilities**

- **Electric Vehicles:**
 - The **EV sector** is receiving special attention with **100% exemptions** from registration fees and road taxes for manufacturers. Incentives of up to **25% of the capital cost** are offered for setting up EV manufacturing and related infrastructure

- **Textile Machinery Manufacturing:**
 - Maharashtra is also promoting **textile machinery manufacturing**, with subsidies of up to **35% of the capital investment** available to companies setting up plants in **Nagpur, Solapur, and Amravati**. These incentives are aimed at reducing the reliance on imported textile machinery and boosting local production

- **Agro & Food Processing:**
 - The state recognizes the potential of the **food processing sector** and has allocated **mini food parks** in every district, spanning a minimum of **10 acres** each. Agro-processing units are eligible for **up to 50% capital subsidies** for plant and machinery, with specific incentives for **cold chain development** and **warehousing infrastructure**
 - **Special Incentives** are provided to **Farmer Producer Companies (FPCs)**, enabling them to benefit from **stamp duty exemptions, electricity duty exemptions, and interest subsidies** for agro-processing activities

13) MEGA PROJECTS, ULTRA-MEGA PROJECTS, AND CUSTOMIZED PACKAGES:

- **Mega Projects:**
 - Industries classified as **Mega Projects** are eligible for **up to 100% stamp duty exemption** for land acquisition, **electricity duty**

exemptions for 7 years, and IPS (Investment Promotion Subsidies) based on the **Fixed Capital Investment (FCI)**. Mega projects require a minimum investment of **INR 1,500 crore** and **direct employment for at least 2,000 people**

- **Land Allotment Priorities:** Mega projects are given priority for land allotment in **MIDC areas**, especially along strategic industrial corridors such as the **Delhi-Mumbai Industrial Corridor (DMIC)** and the **Samruddhi Mahamarg**
- **Ultra-Mega Projects:**
 - **Ultra-Mega Projects** are defined as those with **capital investments of INR 4,000 crore** or more, and the state offers **customized incentive packages** based on the scale and sector of the investment. These packages may include **up to 100% reimbursement of SGST** for up to 10 years, as well as **equity participation** by the government through **Maharashtra Vikrikar Rokhe Pradhikaran Limited (MVRPL)**
 - Ultra-Mega Projects have special provisions to obtain **additional floor space index (FSI)** and **priority in utilities and services provisioning**, particularly in sectors such as **defense manufacturing, aerospace, and electric vehicles**
- **Customized Incentive Packages:**
 - Mega and Ultra-Mega Projects can receive **customized packages of incentives** based on sector, location, and employment potential. These packages are designed and approved by the **High-Power Committee (HPC)** chaired by the Chief Secretary of Maharashtra

14) EMPLOYMENT GENERATION PROGRAMS:

- **Chief Minister Employment Generation Program (CMEGP):**
 - Maharashtra has introduced the **CMEGP** to target the creation of **10 lakh jobs** during the policy period, with a focus on generating employment through **MSMEs, startups, and large-scale industries**. The program offers **up to 35% of project costs** as financial support for entrepreneurs, with a higher cap for **rural and semi-urban areas**
 - **Training and Mentorship:** Under CMEGP, **Entrepreneurship Development Programs (EDPs)** will be conducted for at least **2,00,000 young entrepreneurs**, providing them with training and access to financial assistance

Incentives for Employment-Based Projects:

- Projects generating **direct employment** for more than **4,000 people** receive **enhanced financial incentives**, including **additional electricity duty exemptions** and **higher investment subsidies**. Such projects are prioritized for land allocation in **underdeveloped zones** like **Vidarbha, Marathwada, and Aspirational Districts**

UTTAR PRADESH

1) Validity

- The policy is valid for 5 years from the date of notification, providing a stable framework for industrial development in Uttar Pradesh during this period.

2) Ease of Doing Business

- **Regulatory Reforms:**
 - UP has implemented over 500 reforms to simplify regulatory processes across 25 departments.
 - Over 3,500 compliance requirements have been reduced and 900 acts/rules repealed.
 - The state ranks 2nd in the Ease of Doing Business (EoDB) rankings in India.
- **Single Window Clearance:**
 - The *Nivesh Mitra* portal offers 353 services from 29 departments, ensuring faster clearances. Integrated with the National Single Window System for a seamless application process.
- **Time-bound Clearances:**
 - Government services are brought under the U.P. Janhit Guarantee Act 2011, enforcing a time limit for service delivery to industries.
 - *Fast-track land allotment* for mega and super-mega category projects.
- **Minimizing Compliance Burden:**
 - Reforms such as self-certification for low-risk approvals and auto-renewals for 17 licenses further streamline regulatory requirements.

3) Land Bank and Infrastructure Development

- **Land Bank Creation:**
 - Pooling non-agricultural land for industrial use is facilitated, especially in Bundelkhand and Poorvanchal regions.

- Lease of Gram Samaj land at 1% of the circle rate for 50 years, extendable as per policy guidelines.
- **Private Industrial Parks:**
 - Incentives to develop private industrial parks:
 - Capital subsidy of 25% of the eligible capital investment, up to ₹45 crore for parks in Bundelkhand and Poorvanchal and up to ₹80 crore for large industrial parks across the state.
 - Additional 25% capital subsidy for building dormitories and worker housing (up to ₹25 crore).
- **Logistics and Connectivity:**
 - UP has 37.5% of India's expressway network, and the policy further promotes the development of 7 new expressways.
 - Multi-modal logistics hubs and dry ports to leverage the Dedicated Freight Corridors (WDFC, EDFC) and enhance export competitiveness.
 - Expansion of international air connectivity, with UP being the only state with five international airports, supporting industrial exports and FDI.
- **Waterways:**
 - UP will leverage the 1,100 km inland waterway from Prayagraj to Haldia to facilitate cost-effective freight movement.

4) Promotion of MSMEs and Local Industries

- **One District One Product (ODOP) Scheme:**
 - Flagship ODOP initiative promotes unique products from each district. Special attention is given to the development of MSMEs by scaling up ODOP products through financial and infrastructural support, marketing assistance, and tie-ups with e-commerce platforms.
 - Common Facility Centers (CFCs) for MSMEs under ODOP for collective use of advanced equipment and machinery.
- **MSME Fiscal Support:**

- Capital subsidies based on regions (Bundelkhand/Poorvanchal: 25%, Madhyanchal/Paschimanchal: 20%, Gautam Buddh Nagar & Ghaziabad: 15%).
- Additional interest subsidy of 5-7% for MSMEs, with extra benefits for SC/ST entrepreneurs, startups, and women-owned businesses.
- **Market Development Assistance:**
 - Assistance for MSMEs to participate in national and international exhibitions (up to 75% of stall rent for international exhibitions).

5) Sectoral Focus Areas

- **Agro & Food Processing:**
 - Development of agro-processing parks with incentives for processing units.
 - UP promotes clusters for food processing and support for cold chain infrastructure, food parks, and warehousing.
- **Textiles & Handlooms:**
 - Textile parks, dedicated apparel parks, and mega textile clusters in major districts (Varanasi, Kanpur, and Lucknow).
 - Capital subsidies and training programs to support handloom and textile sectors under various schemes.
- **Renewable Energy:**
 - Promotion of solar energy production through subsidies and private investment encouragement for renewable energy plants.
 - Incentives for investment in solar parks and captive power plants within industrial units.
- **Defense & Aerospace:**
 - UP has allocated 5,000 hectares along the Agra-Aligarh-Jhansi-Kanpur corridor for the defense sector.

- Special capital subsidies, tax exemptions, and support for R&D in defense manufacturing.
- **Electronics & IT:**
 - UP aims to become a hub for electronics and IT manufacturing, focusing on mobile and white goods manufacturing with fiscal incentives and SEZ developments in Noida and Greater Noida.
- **Emerging Sectors (Sunrise & Potential Sectors):**
 - Focus on capital goods, bulk chemicals, green hydrogen, and electric vehicles.
 - Policies designed to attract investments in new-age sectors like gaming, visual effects, and biofuel production.

6) Skilled Manpower Development

- **Skill Development Centers:**
 - The policy aims to address sector-specific skill gaps by setting up skill development centers in key industrial areas.
 - Collaboration with industries to create courses aligned with industry needs and apprenticeship programs.
- **Employment-linked Incentives:**
 - Mega projects receive employment-related boosters based on the number of jobs created.
 - Employment booster of 2-4% of eligible capital investment for providing high employment (particularly for women or in bulk employment schemes).

7) Fiscal Incentives

- **Stamp Duty Exemption:**
 - 100% exemption in Bundelkhand & Poorvanchal, 75% in Madhyanchal & Paschimanchal, and 50% in Gautam Buddh Nagar & Ghaziabad.

- **Investment Promotion Subsidy:**
 - Capital subsidies of up to 30% of eligible investment for Ultra-Mega projects, spread over 20 years.
 - Employment and export-related boosters for large and mega projects (additional 2-4% based on performance).
- **SGST Reimbursement:**
 - Reimbursement of 100% net SGST for 5-15 years based on project size (Large, Mega, Super Mega, Ultra Mega).
- **Top-up for PLI Scheme:**
 - UP offers a top-up of 30% of the Production Linked Incentive (PLI) disbursed by the Government of India for eligible sectors, such as electronics, textiles, and automobiles.
- **R&D Incentives:**
 - 25% reimbursement (up to ₹10 crore) for setting up R&D facilities, along with IPR support (up to ₹1 crore for patent filings).

8) Circular Economy & Environment Protection

- **Sustainability Initiatives:**
 - Incentives for industries engaged in waste recycling, water conservation, and pollution control.
 - Support for setting up Common Effluent Treatment Plants (CETPs) in industrial parks.
- **Renewable Energy Use:**
 - UP promotes rooftop solar energy for industries, with increased tariffs for surplus solar energy purchase.
 - Industrial units using energy-efficient technologies receive capital subsidies and interest rebates.

9) Balanced Regional Growth

- **Focused Incentives for Less Developed Regions:**

- Bundelkhand and Poorvanchal receive higher fiscal incentives and capital subsidies to attract industrial development.
- New industrial parks and clusters are being developed along key infrastructure projects (e.g., Bundelkhand Expressway).

10) Research, Development, and Innovation

- **Centres of Excellence (CoEs):**

- Grants up to 50% of project cost (maximum ₹10 crore) for setting up CoEs in fields like resource efficiency, Industry 4.0, and technology development.

- **R&D Grants:**

- Grants of 25% of the total cost of standalone R&D projects, with priority given to innovation and advanced technology units.

- **IPR Support:**

- 50% reimbursement for patent filing and IP creation, promoting innovation across sectors.

1) Validity of Policy

- The policy is valid for 5 years from the date of notification, i.e., from **August 13, 2020**, until a new policy is formulated.

2) Ease of Doing Business Initiatives

- **Karnataka Industries Facilitation Act (KIFA) 2002:** Karnataka was the first state to introduce an industrial facilitation act aimed at simplifying procedures and reducing compliance burden for industries.
- **e-Udyami Single Window Portal:** 98.64% compliance achieved for provisions of Business Reforms Action Plan (BRAP). The portal allows investors to obtain all necessary approvals from multiple government departments in a streamlined manner.
- **Land and Labour Reforms:** Amendments in the Karnataka Land Reforms Act and comprehensive labour reforms for creating a single registration and return system for establishments.

3) Land and Infrastructure Development

- **Industrial Areas:**
 - The Karnataka Industrial Area Development Board (KIADB) has developed 170 industrial areas, covering **82,289 acres**. Over **20,188 units** have been allotted land.
 - The Karnataka Small Scale Industrial Development Corporation (KSSIDC) manages 190 industrial estates with over **13,793 units**.
 - KIADB has a mandate to acquire **20,000 acres** during the policy period.

- **Industrial Corridors:**
 - **Chennai–Bengaluru Industrial Corridor (CBIC):** Tumakuru Industrial Node (13,490 acres) and the Tumakuru Machine Tool Park are key projects.
 - **Bengaluru–Mumbai Economic Corridor (BMEC):** Dharwad identified as an industrial node.
- **Logistics and Connectivity:** Karnataka boasts 13 major National Highways, a **3,250 km rail network**, and a major port (New Mangaluru Port Trust), along with 10 minor ports. Five operational airports ensure air cargo capacity.

4) Promotion of MSMEs

- **Capital and Interest Subsidies:**
 - **Zone-based subsidies** are offered, with incentives varying across zones.
 - **Capital subsidy:** Varies by region (25% for industrially backward regions like Zone 3).
 - **Interest subsidy:** Up to 7% for MSMEs.
- **Technology Upgradation:** MSMEs are incentivized with subsidies of up to **₹50 lakh** for adopting advanced technologies.
- **Special Support for SC/ST Entrepreneurs:** Up to **75% subsidized land** or a maximum of **₹200 lakh** for SC/ST entrepreneurs in all zones.
- **Vendor Development and Skill Training:** MSME Vendor Development Events conducted annually, coupled with skill development through SARTHAK – Centre of Excellence for MSMEs.

5) Sector-wise Focus Areas

- **Automobiles and Auto Components:**
 - Karnataka is the 4th largest automobile producer in India. Seven major OEMs, including Toyota and Volvo, operate in the state.

- **Electric Vehicle (EV) Policy:** Karnataka was the first state to introduce an Electric Vehicle policy in 2017, with incentives for EV and battery manufacturing.
- **Pharmaceuticals and Medical Devices:**
 - 5th largest pharma exporter in India, contributing 10% of national revenue. The government will establish dedicated pharma parks and med-tech zones, focusing on R&D.
- **Aerospace and Defense:**
 - Karnataka accounts for over 65% of India's aerospace investments. Bengaluru is a leading aerospace cluster, with global companies like Boeing and Airbus having facilities in the state.
- **Renewable Energy:**
 - Karnataka is a top performer in renewable energy, with over **14,932 MW** installed capacity. The state boasts India's largest solar park at Pavagada (2,050 MW).
- **Logistics:**
 - With well-developed cold storage, inland container depots, and dry ports, Karnataka is the 4th leading logistics hub. Initiatives include multi-modal logistics parks and Free Trade Warehousing Zones (FTWZ).
- **Knowledge-based Industries (IT & Biotech):**
 - Karnataka leads in R&D and is home to over 400 global research centers. Bengaluru ranks 4th globally in terms of technology clusters.

6) Sector-wise Incentives

- **Investment Promotion Subsidy:**
 - MSMEs receive subsidies of up to 30% of fixed capital investment, with higher rates in backward regions (Zone 3 and 4).
- **Turnover-based Incentives:**

- A first in India, Karnataka offers turnover-based incentives instead of traditional investment-based subsidies to ensure long-term growth.
- **Energy Subsidy:** MSMEs can avail subsidies on renewable energy usage, with the largest solar energy generation capacity in India.
- **R&D and Innovation Subsidy:**
 - Karnataka provides financial assistance up to **₹5 crore** for setting up R&D centers.
- **Stamp Duty and Registration Fee Exemptions:**
 - 100% exemption for industries in backward regions, 75% in Zones 1 & 2.
- **Special Incentives for Electric Vehicles:** EV manufacturers receive dedicated fiscal benefits, including SGST exemptions and infrastructure support.

7) Skill Development and Employment

- **Skill Development Initiatives:**
 - Karnataka boasts over **1,777 ITIs** and has rolled out various skill development programs across multiple sectors, focusing on up-skilling youth in IT, biotechnology, and manufacturing.
 - **Special focus on Women, SC/ST and Differently-abled Employment:** Training subsidies extended to women and disadvantaged groups, with incentives linked to employment generated.

8) Fiscal Incentives and Subsidies

- **SGST Reimbursement:** 100% SGST reimbursement for large and mega projects in backward zones for a period of 5-15 years.
- **Power Subsidy:** Subsidies for renewable energy adoption, with additional subsidies for MSMEs using solar power.

- **R&D and Technology Adoption Incentives:** Financial support for R&D, adoption of Industry 4.0 technologies, and IP creation. Firms adopting Industry 4.0 processes receive up to **₹5 crore** in financial assistance.

9) Balanced Regional Development

- **Zone-based Incentive Structure:**
 - Karnataka has zoned districts into four categories based on industrial development. The most backward zones (Zone 3 and 4) receive the highest incentives, including land, fiscal, and tax benefits.
 - **Promotion of Tier 2 and Tier 3 Cities:** Focus on developing industrial corridors in northern Karnataka, which includes Kalyana Karnataka and other backward districts.

10) Sustainability and Environmental Goals

- **Water Conservation:** Karnataka will implement zero-discharge manufacturing systems and rainwater harvesting across industrial parks.
- **Renewable Energy Projects:** Treated wastewater will be made available for industrial use, and industries adopting zero-discharge processes will receive fiscal incentives.

11) Special Sectoral Policies

1) Aerospace and Defense Policy 2013-2023

- **Overview:** Karnataka is a recognized hub for aerospace and defense industries in India, accounting for more than 65% of aerospace-related investments and 67% of aircraft and helicopter manufacturing in the country. The Aerospace Policy 2013-2023 aims to strengthen Karnataka's position as the aerospace capital of India.
- **Incentives and Support:**
 - **Establishment of Aerospace SEZs and Defence Parks in Bengaluru and Belagavi to promote manufacturing clusters.**

- **Skill Development:** Aerospace-specific skill development centers in partnership with industry leaders like HAL and DRDO.
- **Land Allotment:** KIADB earmarked large land parcels for aerospace parks, with additional subsidies for setting up aerospace units in the state.
- **Research & Development (R&D):** Grants for setting up R&D centers, including a Centre of Excellence for Aerospace & Defence in collaboration with Dassault Systems.
- **Fiscal Incentives:** Aerospace units benefit from investment promotion subsidies, SGST reimbursement, and stamp duty waivers.
- **Key Goals:**
 - To attract ₹60,000 crore investments in aerospace and defense.
 - Generate 10,000 high-skill jobs in aerospace engineering by 2025.
 - Promote indigenous manufacturing of aircraft, drones, and defense equipment under the Make in India initiative.

2) Electric Vehicle and Energy Storage Policy 2017

- **Overview:** Karnataka was the first state in India to introduce a comprehensive Electric Vehicle (EV) policy. The policy aims to transform Karnataka into the Electric Vehicle Capital of India by promoting electric mobility and energy storage solutions.
- **Incentives for EV Manufacturers:**
 - **Capital Subsidy:** Up to 25% of the fixed capital investment, specifically for EV and component manufacturing.
 - **SGST Reimbursement:** 100% reimbursement of net SGST for a period of 5-10 years for EV manufacturers.
 - **Land Allotment:** KIADB offers land at concessional rates in Bengaluru, Tumakuru, and Hubballi-Dharwad for establishing EV manufacturing units and battery assembly units.

- **Research & Innovation Grants:** Financial assistance of up to ₹10 crore for setting up EV R&D centers focused on battery technology, charging infrastructure, and power electronics.
- **Charging Infrastructure Development:**
 - Installation of EV charging stations with subsidies of up to 25% of the cost.
 - BESCO set up India's first public charging station in Bengaluru.
- **Goals by 2025:**
 - Deploy 100,000 EVs on Karnataka roads.
 - Establish 500 fast-charging stations across key urban and rural areas.
 - Develop India's first electric technology manufacturing hub in Bengaluru.
 - Support the manufacture of electric two-wheelers, buses, and EV components.

3) Renewable Energy Policy

- **Overview:** Karnataka is a leader in renewable energy with an installed capacity of 14,932 MW as of 2020, making it one of India's top states in solar and wind energy generation. The policy focuses on the development of solar, wind, biomass, and small hydropower projects.
- **Solar Energy Policy:**
 - **Solar Park at Pavagada:** Karnataka hosts the world's largest solar park at Pavagada, Tumakuru, with a total capacity of 2,050 MW.
 - **Incentives for Solar Manufacturers:**
 - Capital subsidy of up to ₹20 crore for establishing solar photovoltaic manufacturing units.

- **Interest subsidy: Up to 5% on term loans for solar energy producers.**
- **SGST Exemption: Full SGST exemption for solar power manufacturers.**
- **Solar Rooftop Systems: Incentives for industries installing rooftop solar systems, with a 25% capital subsidy.**
- **Wind Energy Policy:**
 - **Capital Subsidies: Up to ₹25 lakh per MW for wind power projects.**
 - **Land Allocation: KIADB has allocated large tracts of land in northern Karnataka for wind energy farms.**
 - **Tax Exemptions: Exemptions from electricity tax for wind energy producers.**
- **Key Goals:**
 - **Achieve minimum 6,000 MW solar capacity by 2021.**
 - **Support 1,500 MW wind energy projects by 2025.**
 - **Encourage biomass and small hydro projects with subsidies up to ₹10 crore.**

4) IT & Knowledge-based Industries Policy

- **Overview: Karnataka is known as the Silicon Valley of India, contributing over 30% to India's IT exports. The policy promotes IT services, software development, hardware manufacturing, and emerging technologies like AI, IoT, and blockchain.**
- **Incentives for IT Sector:**
 - **Capital Investment Subsidies: Up to ₹50 crore for setting up IT parks in Tier II and Tier III cities.**
 - **R&D Grants: Financial support of ₹2 crore for IT and software development R&D centers.**

- **IT Clusters:** Development of IT SEZs in Mysuru, Mangaluru, Hubballi, and Belagavi to decentralize the sector from Bengaluru.
- **Tax Rebates:** IT companies in Tier II/III cities receive 100% SGST exemptions for 10 years.
- **Infrastructure Support:** Establishment of fiber-optic networks, data centers, and cloud infrastructure with fiscal incentives.
- **Startups and Innovation:**
 - **Startup Support:** Karnataka is home to India's largest startup ecosystem. Startups receive seed funding up to ₹30 lakh and a sustenance allowance of ₹20,000 per month for one year.
 - **Incubation Centers:** Over 50 incubation centers are promoted across the state, offering space and mentorship to IT and tech startups.

5) Biotechnology Policy

- **Overview:** Karnataka is a leader in biotechnology, contributing 40% of India's total biotech revenue. The policy encourages biotech R&D, manufacturing, and innovation in life sciences.
- **Incentives for Biotech Sector:**
 - **Fiscal Incentives:** Up to ₹5 crore subsidy for biotech firms setting up in designated biotech parks.
 - **R&D Assistance:** Biotech companies receive up to 50% reimbursement on R&D expenditures, subject to a cap of ₹2 crore per annum.
 - **Land and Infrastructure Support:** Land in Bengaluru, Mysuru, and Hubballi reserved for biotech parks with capital subsidies on infrastructure.
 - **Tax Rebates:** 100% reimbursement of SGST for 5-10 years for biotech manufacturers.

- **Bio-clusters:** The state promotes bio-clusters in Bengaluru, Mysuru, and Dharwad, focusing on research in agriculture biotechnology, pharmaceuticals, and bioinformatics.

6) Semiconductor and Electronics Policy

- **Overview:** Karnataka is a frontrunner in electronics and semiconductor manufacturing. The Semiconductor Policy aims to make Karnataka a hub for chip design and electronics hardware manufacturing.
- **Incentives for Semiconductor Manufacturing:**
 - **Capital Subsidy:** Up to 30% of fixed capital investment, capped at ₹50 crore for semiconductor units.
 - **R&D Grants:** Assistance of ₹5 crore for setting up research labs and fabrication units.
 - **Tax Exemptions:** 100% exemption from SGST for 10 years for semiconductor manufacturing units.
 - **Electronics Clusters:** The state has established Electronics Manufacturing Clusters (EMCs) in Bengaluru, Mysuru, and Tumakuru, providing plug-and-play infrastructure.
 - **Electricity Subsidy:** Subsidies on power tariffs and infrastructure development in electronics clusters.
- **Goals by 2025:**
 - Establish Karnataka as a global hub for VLSI design and chip manufacturing.
 - Create 500,000 jobs in the electronics and semiconductor sectors.

7) Animation, Visual Effects, Gaming & Comics (AVGC) Policy

- **Overview:** Karnataka's AVGC sector is one of the fastest-growing in India. Bengaluru has emerged as a major hub for animation, visual effects, gaming, and comics, contributing significantly to the national output.
- **Incentives for AVGC Industry:**

- **Capital Investment Subsidies:** Up to ₹10 crore for establishing AVGC centers.
- **Tax Rebates:** AVGC companies receive SGST exemptions for 10 years.
- **AVGC Clusters:** Karnataka has developed the Bengaluru AVGC Cluster and provides plug-and-play infrastructure, along with R&D labs and training centers.
- **Grants for Innovation:** Up to ₹2 crore for developing cutting-edge AVGC content and projects.
- **Goals:**
 - **Develop Karnataka as the global hub for AVGC content creation.**
 - **Generate 50,000 direct jobs in the AVGC sector by 2025.**

1) Ease of Doing Business

- Kerala's policy emphasizes improving its **Ease of Doing Business** ranking, having moved from 28th to 15th place. The **K-SWIFT** (Kerala Single Window Interface for Fast and Transparent Clearance) system is designed to provide fast approvals through an online platform.
- **Non-Red Category MSMEs**: These businesses can operate for three years without approvals and licenses. Afterward, licenses are streamlined, and automatic approvals are offered within 7 days
- **Investor Assistance**: The Kerala Industrial Policy creates **Invest Kerala Helpdesk 2.0**, a 24/7 service for investors to access assistance.

2) Land Banks and Infrastructure

- **Industrial Land Banks**: Kerala will establish dedicated industrial land banks to support MSMEs and startups.
- **Private Industrial Parks**: The state encourages the establishment of Private Industrial Parks in all 14 districts, which will be thematic, including 10 food processing parks.
- **Corridors and Hubs**: Development of Kochi-Bengaluru Industrial Corridor, Kochi-Palakkad High-Tech Corridor, and GIFT City
- **Sector-specific Infrastructure**: Creation of sector-specific parks, such as Graphene Industrial Parks, Bio-technology zones, and Medical Tech Innovation Parks

3) Promotion of MSMEs

- **Capital Subsidies**:
 - **Micro Enterprises**: Up to **45% subsidy**, maximum Rs. 40 lakh.

- **Small Enterprises:** Up to **45% subsidy**, maximum Rs. 100 lakh.
- **Medium Enterprises:** Up to **45% subsidy**, maximum Rs. 200 lakh.
- **Interest Subsidies:** MSMEs can access **loans at 4% interest**.
- **Specialized Assistance:** Support through a **Venture Capital Fund** (Rs. 200 Cr annually) and **Innovation Fund**

4) Startups and Innovation

- **Sustenance Allowance:** Kerala promotes innovation with a **sustenance allowance** of Rs. 20,000 per month for startups.
- **Seed Support:** Startups can receive up to Rs. 30 lakh for product development.
- **R&D Support:** Kerala provides **50% reimbursement** for patent filing up to Rs. 30 lakh and dedicated **R&D funding of 20%**, capped at Rs. 1 crore

5) Priority Sectors

Kerala's industrial policy is structured around **22 priority sectors**. The key sectors include:

1. **Aerospace and Defence:** The **Kerala Space Park** is envisioned as a global hub for defence technology
2. **Artificial Intelligence and Robotics:** Establishment of **AI Enablement Centres** and promotion of robotics in industries such as **tourism and healthcare**
3. **Ayurveda:** Kerala aims to be the global center for **Ayurvedic research and services**, with the establishment of a **Global Ayurveda Village**
4. **Biotechnology and Life Sciences:** Focus on **stem cell therapy, biofuels, and nutraceuticals** through a **Biotechnology Incubation Centre**
5. **Food Technologies:** Establishment of **Mega Food Parks** and food incubators

6. **Electric Vehicles:** Development of **EV manufacturing ecosystems** and charging infrastructures
7. **Medical Equipment:** Setting up of **MedsPark** and promoting medical device manufacturing

6) Incentives and Subsidies

- **Employment Subsidy:** Employers hiring local population receive 25% wage reimbursement (up to Rs. 5,000 per person), with special benefits for hiring women and transgender employees.
- **SGST Reimbursement:** 100% SGST reimbursement for large industries for 5 years.
- **Stamp Duty Exemptions:** Up to 100% waiver for land and building purchases

7) Green Initiatives

- Kerala's policy places a strong emphasis on **ESG (Environmental, Social, and Governance) initiatives:**
 - **Renewable Energy:** Kerala will promote **floating solar plants** and **green hydrogen production**.
 - **Circular Economy:** Encouragement for **recycling industries** and **waste management projects**, with incentives for adopting **zero-discharge technologies**

8) R&D and Skill Development

- Kerala aims to enhance **industry-academia linkages** and provide **50% reimbursement** for skill development programs, focusing on **Industry 4.0 skills**.
- **Clusters of Excellence** will be developed to support **technology-enabled MSMEs** and **digitization** of sectors like **textiles** and **handlooms**

MADHYA PRADESH

1) Ease of Doing Business

- **Single Window System:** Madhya Pradesh has a streamlined system for industrial clearances, where 36 services have been automated. The **Single Window System** offers:
 - **Investment Relationship Managers:** Assigned to individual investors to assist with investment proposals.
 - **Cabinet Committee on Investment Promotion (CCIP):** Sanctions customized assistance packages, including fiscal incentives and tax exemptions for mega projects.
 - **State Level Empowered Committee (SLEC):** Manages interdepartmental coordination and approvals for large-scale projects.

2) Land Banks and Infrastructure

- **Industrial Infrastructure:** The state is developing **industrial parks** and **investment corridors**, including the **Delhi-Mumbai Industrial Corridor (DMIC)** that passes through 10 districts. Major infrastructure projects include:
 - **Bhopal-Bina** and **Bhopal-Indore Investment Corridors** to facilitate industrial growth.
 - **Mega Industrial Areas** are equipped with road, power, water, and social infrastructure, including healthcare and educational facilities.
 - Private partnerships are encouraged for the development of **industrial estates** and **logistics parks**.

3) Subsidies and Fiscal Incentives

General Subsidies:

- **Capital Subsidy:** Varies according to the scale of the enterprise:
 - **Micro & Small Units:** 15% of capital investment with a ceiling of INR 15 lakh.

- **Medium & Large Units:** Varies based on investment but with a ceiling of INR 50 crore.
- **Electricity Duty Exemption:**
 - 33 KV connection: Exemption for up to 5 years.
 - 132 KV connection: Exemption for up to 7 years.
 - 220 KV connection: Exemption for up to 10 years.
- **Stamp Duty Reimbursement:** 100% reimbursement for industries acquiring land for industrial use.
- **Interest Subsidy:** 5% interest subsidy for MSMEs on term loans for up to 7 years, with a ceiling of INR 5 lakh per year.
- **VAT/CST Assistance:** Reimbursement of 75% of VAT and CST paid, applicable for mega projects.

4) Sector-wise Policy and Incentives

4.1) Information Technology (IT)

- Madhya Pradesh has **IT hubs** like Indore, offering:
 - **Fiscal Incentives:** Subsidies for land acquisition, lower power tariffs, and tax rebates.
 - **Subsidized Office Space:** Incentives for startups and IT companies.
 - **Investment Promotion Assistance:** Includes fiscal incentives, R&D support, and special export incentives for IT-enabled services.

4.2) Pharmaceuticals

- Focus on promoting the **Pharma sector** through:
 - **Capital Subsidies:** 30% subsidy on capital investment.
 - **Research and Development (R&D) Assistance:** Up to 50% support for R&D infrastructure.
 - **Electricity Tariff Concession:** Discounted electricity rates for pharmaceutical manufacturing units.

4.3) Textiles

- Madhya Pradesh supports the establishment of **textile parks** with:
 - **Capital Investment Subsidies:** 25% on capital investment in plant and machinery.
 - **Interest Subsidy:** Up to 5% on loans for new textile units.
 - **Electricity Duty Exemption:** For up to 7 years for new textile parks.

4.4) Automotive and Auto Components

- The state promotes investment in the automotive sector through:
 - **Subsidies for Land Acquisition:** Reduced rates in designated **automobile hubs**.
 - **Capital Subsidy:** 20% for medium-scale units investing in the auto sector.

4.5) Food Processing

- Madhya Pradesh is positioning itself as a hub for food processing with incentives such as:
 - **Capital Investment Subsidy:** 25% on the investment in plant and machinery for food processing units.
 - **Mandi Fee Exemption:** Up to 50% of the investment in plant and machinery or 5 years, whichever is lower.
 - **Electricity Subsidy:** INR 1/unit concession for food processing industries for 5 years.

5) R&D and Innovation Promotion

- **R&D Support:** Financial support for industries setting up R&D centers, with a subsidy of 50% on patent filing fees, up to INR 5 lakh.
- **Technology Transfer:** The state reimburses 50% of the costs for technology transfer from recognized institutions, with a ceiling of INR 5 lakh.

6) Sustainability and Green Initiatives

- **Green Industrialization:**
 - **Subsidy on Green Technology:** A 50% subsidy, with a maximum of INR 25 lakh for waste management, pollution control, and water conservation technologies.
 - **Support for Effluent Treatment Plants (ETPs):** Financial aid for setting up ETPs within industrial parks.

7) Startups and MSME Support

- **Collateral-Free Loans:** MSMEs are eligible for collateral-free loans under the CGTMSE scheme.
- **Interest Subsidy:** 5% interest subsidy for MSMEs for 7 years, with a cap of INR 5 lakh per annum.
- **Skill Development Initiatives:** Specific programs for skilling youth in line with industry needs, including collaborations with ITIs and polytechnic institutions.

8) Mega Projects

- Special provisions for **mega projects** (investments over INR 100 crore) include:
 - **Customized Fiscal Packages:** Tailored fiscal incentives based on investment size.
 - **Land Subsidies:** Up to 50% for mega industries.
 - **Power Tariff Concessions:** Significant concessions for mega projects that require high power consumption.

1) Validity

- The Rajasthan Industrial Policy 2023 is designed to foster investment, innovation, and sustainable industrial growth over a period of five years

2) Ease of Doing Business

- **Single Window Clearance System:** Rajasthan promotes ease of doing business through **RAJ Nivesh**—a single-window system that ensures fast-track approvals for investments.
- **Special Packages for Mega Projects:** Rajasthan offers tailored incentives for large-scale industrial projects, with quick approval processes and **deemed approvals** if clearances are delayed beyond the stipulated time.
- **Land Conversion Simplification:** The state has a streamlined process for land use conversion for industrial purposes

3) Land Banks and Infrastructure

- **Industrial Land Bank:** Rajasthan offers a **well-structured land bank** with available parcels of land, allowing industries to choose pre-cleared industrial zones.
- **Development of New Industrial Corridors:** Rajasthan aims to develop major corridors such as **Delhi-Mumbai Industrial Corridor (DMIC)** and **Amritsar-Kolkata Industrial Corridor (AKIC)**.
- **Private Industrial Parks:** Special provisions for the development of private industrial parks are made, focusing on themes like **food processing parks, textile parks, and logistics hubs**

4) Promotion of MSMEs

- **Capital Investment Subsidies:**
 - **Micro Enterprises:** 25% subsidy up to Rs. 30 lakh.
 - **Small Enterprises:** 25% subsidy up to Rs. 50 lakh.
 - **Medium Enterprises:** 25% subsidy up to Rs. 1 crore.
- **Interest Subsidy:** A 7% interest subsidy is offered for MSMEs on term loans with special provisions for women, SC/ST entrepreneurs.
- **Collateral-Free Loans:** MSMEs in Rajasthan can avail collateral-free loans under CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises)

5) Startups and Innovation

- **Sustenance Allowance:** Startups receive **Rs. 25,000 per month** as sustenance allowance for one year, with extra incentives for women-led startups.
- **Seed Support:** Up to Rs. 25 lakh in seed funding is available for startups, with additional funds for those working on social-impact projects.
- **R&D Assistance:** Rajasthan offers **50% reimbursement** of R&D expenses up to Rs. 50 lakh per unit

6) Priority Sectors

Rajasthan's policy focuses on **key priority sectors** for industrial development, including:

1. **Tourism and Hospitality:** Special tax benefits for hotel infrastructure, and **stamp duty exemptions** for tourism-related projects.

2. **Renewable Energy:** Incentives for solar, wind, and hybrid projects, including **capital investment subsidies** and **customized fiscal packages** for solar panel manufacturing.
3. **Textiles:** A dedicated textile policy promotes **investment in textile parks**, with capital subsidies of 25% on investments.
4. **Food Processing:** Rajasthan is encouraging **mega food parks** with **capital subsidies** of 25%, special provisions for cold storage, and mandi fee exemptions.
5. **IT and Electronics:** Rajasthan aims to develop **IT parks** and provide incentives for **software exports, R&D, and startup incubation**

7) Incentives and Subsidies

- **Employment Subsidies:** Businesses receive **Rs. 5,000 per month per employee** as wage reimbursement if they employ local labor or women. Extra incentives are offered for hiring transgender individuals.
- **SGST Reimbursement:** **100% SGST reimbursement** for 7 years for MSMEs and large industries in Rajasthan.
- **Stamp Duty Exemptions:** Rajasthan offers up to **100% exemption** on stamp duty for land purchases in industrial parks

8) Green Initiatives

- **Renewable Energy Push:** Rajasthan provides **capital subsidies** for solar and wind energy projects and is focused on **energy-efficient technologies**. It aims to develop **waste-to-energy projects** under **public-private partnerships**.
- **Sustainability Focus:** Rajasthan encourages **green technology adoption** by providing 25% reimbursement for industries implementing eco-friendly technologies, such as water recycling and energy-efficient equipment

9) R&D and Skill Development

- **Industry-Academia Collaboration:** Rajasthan promotes **R&D collaborations** between industries and academic institutions, offering **50% reimbursement** for research initiatives.
- **Skill Development Centers:** Rajasthan will establish **skill development hubs** in partnership with ITIs and polytechnic institutes to provide sector-specific technical training

1) Validity

- The policy is valid for a period up to 31st March 2025. Investments made from January 1, 2021, are eligible for incentives under this policy.

2) Ease of Doing Business

- **Tamil Nadu Business Facilitation Act & Rules (2017-18):**
 - Over 180 services across 38 departments are offered under a completely digitized Single Window Portal, making it paperless, faceless, and contactless.
 - Simplification of various clearances such as land allotment, property registration, and environmental approvals.
 - **Biz Buddy** initiative to facilitate and resolve operational issues within 30 days.
- **Investment Promotion:**
 - Special incentives for investments above ₹50 crore, including SGST reimbursement, flexible capital subsidy, and stamp duty concessions.
 - Tamil Nadu ranks high in terms of global investment attraction, particularly post-COVID recovery efforts.

3) Land and Infrastructure Development

- **Industrial Corridors and Clusters:**
 - Development of key industrial corridors including:
 - **Chennai–Bengaluru Industrial Corridor (CBIC)** and **Chennai–Kanniyakumari Corridor (CKIC)**, enhancing logistics and connectivity.
 - **Tamil Nadu Defence Industrial Corridor** (₹3,123 crore investments across 5 cities).
 - **Industrial Parks & Estates:** Over 40,000 acres of land reserved, with 3,500 acres currently available for industries through SIPCOT and SIDCO.
- **Transport & Logistics:**
 - Tamil Nadu has over 5,324 km of National Highways, and 11,830 km of State Highways, including a planned Chennai Peripheral Ring Road (133.38 km).

- The state operates four international airports and four large seaports, facilitating industrial exports and cargo handling.

4) MSME Promotion

- **MSME Initiatives:**

- MSME sector enjoys capital subsidies based on investment categories (Large, Mega, Ultra-Mega).
- MSMEs benefit from energy and water conservation incentives (up to 75% for audits, ₹50,000 for audits, and ₹20 lakhs for recommended upgrades).
- **Capital Subsidy:**
 - Category C districts: 5% capital subsidy for investments in excess of ₹50 crore.
 - Training subsidies of ₹4,000 per worker per month, extended to ₹6,000 for women, transgender, SC/ST, and differently-abled employees.
- Assistance for market development and participation in international trade exhibitions.

5) Sectoral Focus & Sunrise Sectors

- **Focus Sectors:**

- Existing sectors like **Automobile & Auto Components, Textiles, Electronics, Leather, Chemicals, Software, and Financial Services** receive continued promotion.

- **Sunrise Sectors:**

- New high-growth sectors identified include:
 - **Aerospace and Defense**
 - **Electric Vehicles (EV), Biotechnology, Medical Devices**
 - **Renewable Energy Components Manufacturing, Technical Textiles**
- Fiscal support and incentives for research, innovation, and manufacturing in these sectors.

6) Innovation & R&D

- **Research and Development Incentives:**

- 50% reimbursement of expenses for patent filings, copyright, trademarks, up to ₹1 crore for sunrise sectors.

- Capital subsidy of up to ₹5 crore for setting up R&D facilities or obtaining quality certifications.
- R&D projects in Tamil Nadu can avail land at 50% concessional rates.
- **Startup Promotion:**
 - Incentives for startups include seed capital support up to ₹30 lakh and a sustenance allowance of ₹20,000 per month for eligible startups, with additional grants of ₹10 lakh for social impact startups.

7) Skill Development and Employment

- **Skill Development:**
 - Establishment of **Apex Skill Development Centres** in sectors such as Auto, Healthcare, and Logistics through Japanese collaboration.
 - Training subsidies for companies employing Tamil Nadu residents.
- **Employment-Linked Subsidies:**
 - Companies creating over 50 jobs eligible for structured incentives, including capital and turnover-based subsidies.
 - Additional training incentives for companies hiring women, SC/ST, and differently-abled workers.

8) Fiscal Incentives

- **Capital Subsidy Options:**
 - Up to 35% of eligible fixed assets for projects in sunrise sectors located in “C” category districts.
 - **Flexible Capital Subsidy** for MSMEs and large projects, customized based on employment, exports, and ecosystem boosters.
 - **SGST Refund:** 100% SGST reimbursement for 15 years on final products.
 - **Stamp Duty Concession:**
 - 100% exemption in “C” category districts, and 50% exemption in “B” districts.
- **Green Industry Incentives:**
 - Industries investing in environmental protection (water recycling, solar power) eligible for 25% subsidy, up to ₹1 crore.
- **Special Land Incentives:**
 - For large projects, SIPCOT land is available at 10-50% concessional rates, depending on the region.
 - For standalone R&D projects, 50% subsidy for land purchase or lease.

9) Balanced Regional Growth

- **Category Classification:**
 - Districts classified into A, B, C for targeted fiscal incentives:
 - **A Category:** Includes Chennai, Kancheepuram, Tiruvallur.
 - **B Category:** Industrialized districts like Coimbatore, Tiruchirappalli.
 - **C Category:** Less industrialized districts, including Nagapattinam, Dindigul, which receive the highest fiscal incentives.
- **Regional Development Incentives:**
 - Higher subsidies and land incentives for investments in backward regions (Category C) to ensure equitable industrial growth.

10) Sustainability and Environment

- **Green Initiatives:**
 - The state offers 25% capital subsidies for projects undertaking water conservation, recycling, rainwater harvesting, and zero-liquid discharge systems.
 - The **Tamil Nadu Solar Policy 2019** targets 9,000 MW solar capacity by 2023, with industries encouraged to adopt renewable energy.
- **Electricity Tax Exemption:**
 - 5-year exemption from electricity taxes for new or expanding industries purchasing power from TANGEDCO.

11) Special Incentives for FDI

- **FDI Specific Incentives:**
 - FDI projects benefit from additional 40% investment promotion subsidies and SGST refunds.
 - Concessions on transport costs (up to ₹10 crore) for relocating machinery and equipment to Tamil Nadu.
 - **Land Subsidies:** For relocated industries, 50% subsidy on private land purchases in C category districts, with a cap of ₹2 crore.

1) Ease of Doing Business

- Telangana offers a streamlined "TS-iPASS" (Telangana State Industrial Project Approval and Self-Certification System) system that promises single-window clearances, with mandatory approvals within a stipulated period.
- Key features include:
 - **Deemed approval:** Projects are automatically approved if not processed within the time frame.
 - **Self-certification:** Businesses can start operations without awaiting further clearances if they certify compliance with statutory requirements.
 - **Mega Projects:** Fast-track approvals for investments over INR 200 crore or projects creating 1,000+ jobs.
 - **Investor Assistance:** "Relationship managers" appointed for large investors to ensure smooth coordination.

2) Land Banks and Infrastructure

- Telangana offers well-developed industrial parks and infrastructure. Notable initiatives include:
 - **Development of TSIIIC (Telangana State Industrial Infrastructure Corporation)** to provide industrial zones with necessary infrastructure like power, water, and road connectivity.
 - **Industrial Parks:** Telangana has dedicated parks for IT, pharma, textiles, aerospace, and food processing.
 - **T-Hub:** A notable innovation and startup incubator center based in Hyderabad.
 - **Land Allotment:** Land is allocated for industrial use at concessional rates depending on the zone.

3) Subsidies and Fiscal Incentives

- Telangana offers **capital investment subsidies** across various sectors:
 - **Mega Projects:** Investment subsidies of up to 30% or INR 10 crore.
 - **Micro, Small, and Medium Enterprises (MSME):** Subsidies range from 15% to 25% depending on the sector, with additional incentives for SC/ST and women entrepreneurs.
 - **Electricity Duty Exemption:** Complete exemption for up to 5 years depending on the investment size.
 - **Stamp Duty Reimbursement:** Up to 100% reimbursement on the first sale or lease of land for industrial use.
 - **Interest Subsidy:** MSMEs receive an interest subsidy of 3% to 5% on term loans.
 - **Power Tariff Concession:** Concessions are offered to large-scale industries with high power consumption.

4) Sector-wise Policy and Incentives

4.1) Information Technology (IT)

- Telangana is home to several IT parks, including HITEC City, and offers:
 - **Fiscal Incentives:** Subsidies on land purchase, electricity, and other utilities.
 - **Subsidized Office Space:** Startups receive subsidized office space in incubators and hubs.
 - **Innovation Fund:** Telangana's T-Hub provides financial aid and incubation services to innovative tech startups.

4.2) Pharmaceuticals and Life Sciences

- Telangana is positioning Hyderabad as a life sciences hub through its Genome Valley initiative. Key policies include:
 - **Capital subsidies:** 30% capital investment subsidy.

- **Power and Water Tariff Subsidies:** Significant discounts for mega pharmaceutical companies.

4.3) Aerospace and Defense

- Telangana has focused on attracting investments in aerospace, with dedicated parks and specific incentives:
 - **Land concessions:** Land at subsidized rates in aerospace parks.
 - **Tax Exemptions:** State tax exemptions for industries producing defense and aerospace products.

4.4) Textiles

- The state supports the establishment of textile clusters and parks with:
 - **Capital Subsidies:** Up to 25% capital subsidies for textile manufacturing units.
 - **Skill Development:** Subsidies for training programs to skill labor in the textile sector.

4.5) Food Processing

- Telangana has identified food processing as a key industry for rural development:
 - **Capital Investment Subsidies:** Ranging from 25% to 30%.
 - **Interest Subsidy:** 3% on loans for establishing food processing units.
 - **Cold Storage Facilities:** Assistance provided for the establishment of cold storage chains.

5) R&D and Innovation Promotion

- Telangana offers incentives for **R&D centers** through:
 - **Capital Investment Support:** Up to 25% of R&D investment for setting up labs or research centers.
 - **Patent Registration Assistance:** Up to INR 10 lakh reimbursement for patents filed.

- **Startup Ecosystem:** Telangana's **T-Hub** and **We-Hub** focus on promoting innovation and provide seed funding, incubation, and acceleration for startups.

6) Sustainability and Green Initiatives

- Telangana promotes **sustainable industrial practices** with initiatives like:
 - **Rooftop Solar Projects:** Encouragement for industries to adopt solar energy with subsidies and favorable tariffs.
 - **Waste Management:** Industries are incentivized to adopt sustainable waste management techniques.
 - **Water Conservation:** Assistance for implementing water-saving technologies.

7) Startups and MSME Support

- Telangana's policies for **MSME and startups** focus on:
 - **Interest Subsidies:** MSMEs benefit from interest subsidies on loans ranging from 3% to 5%.
 - **Collateral-Free Loans:** Assistance is provided for loans under the CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) scheme.
 - **Marketing Assistance:** MSMEs receive financial support to participate in national and international trade fairs.
 - **Women Entrepreneurs:** Additional 5% subsidies for women-led enterprises.

ANDHRA PRADESH

1) **VALIDITY:** This Policy shall be valid for a period of 5 years from the date of the policy notification, or till a new Policy is announced. This policy shall be applicable to following categories of enterprise(s) and investment(s):

- a) New and existing enterprises investing and establishing new units.
- b) Existing enterprises investing in expansion of units.

The enterprise needs to obtain Consent for Operation (CFO) and commence commercial production during the operative period of the Policy, unless otherwise exempted through a G.O., to be eligible to claim incentives under this policy.

2) **EASE OF DOING BUSINESS:** AP government has launched the Single Desk Portal (SDP) in June 2015. The one-stop-shop helps industries obtain more than 93 regulatory clearances required to set-up and operate businesses within 21 days.

The state has also created an investment facilitation cell. Each investor will be assisted by a Liaison officer, who helps the investor in following up with different line departments and keep the investor updated on the progress of approvals and various pre-requisites pending with the investors

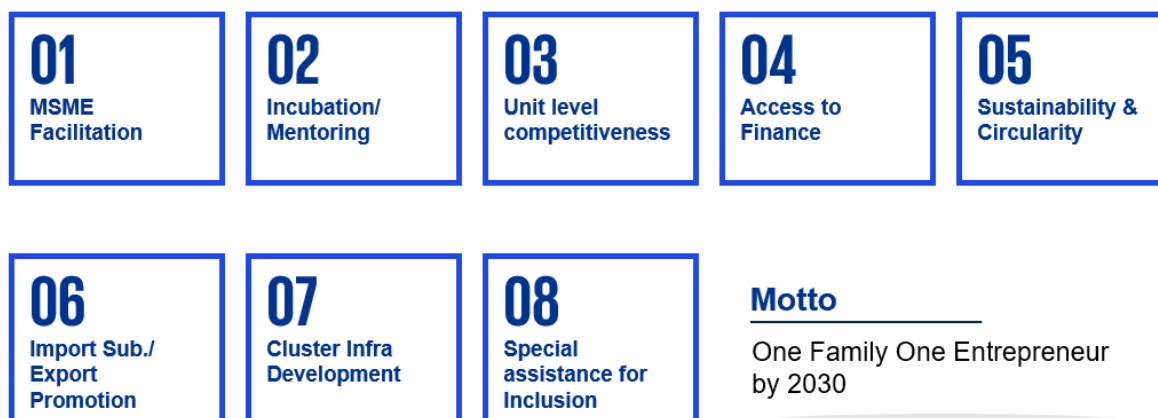
For foreign investors the following support services will be provided to potential investors by select country specific desks:

1. Provide bespoke investor facilitation.
2. Handholding services in the form of local information and expertise
3. Comprehensive portal with business opportunity related information

3) **LAND BANKS:**

4) **PROMOTION OF MSMEs:** To provide focused support for MSMEs and new entrepreneurs, particularly in the manufacturing sector, the state will introduce a dedicated MSME and Entrepreneur Development Policy. To facilitate organized development of MSME clusters, more than 175 MSME parks, with at least one park

per constituency will be developed. A dedicated corpus of INR 500 Cr will be created during the policy period towards CGTMSE, Technology transfer, revival of sick units, R&D etc. A wholistic 8-dimensional approach will be adopted to elevate the competitiveness of our MSMEs and nurture new entrepreneurs to enter global marketplace.



5) FINANCIAL INCENTIVES: The state classifies investment categories into four investment bands attached with standard investment periods defined as below:

Srl no.	Category	Fixed Capital Investment Range (INR, Crores)	Standard Investment period
1	Sub Large Projects	51 to 500	2 years
2	Large Projects	501 to 1000	3 years
3	Mega Projects	1001 to 5000	3 years
4	Ultra Mega Projects	5001 and above	4 years

The overall incentive a company can claim, through combination of incentive packages offered through this policy or any subsequent sectoral policies, shall not exceed 100% of FCI state of Andhra Pradesh.

To ensure timely disbursement of incentives, government is working towards ESCROW account-based disbursement mechanism.

INCENTIVES AND CONCESSIONS FOR SUB LARGE PROJECTS

Investment Subsidy

1. Capital subsidy of 12% of FCI for projects achieving DCP within standard investment period.
2. For Projects delayed beyond committed completion date, the incentive will be reduced by 0.5% for each month of delay in DCP from the committed date in the application.
3. For Enterprises wholly owned by women/BC/SC/ST/specially-abled investors domicile from AP, an additional subsidy of 5% of FCI is applicable.
4. Incentive shall be disbursed in 5 equal annual installments from the DCP.

Top-up on PLI approved applicants from Government of India

1. This incentive is in addition to the investment subsidy, applicable only for those projects that received GoI approval under PLI scheme or any other GoI scheme notified by the state from time to time.
2. State government will give 10% of the total incentive amount sanctioned for the project under the GoI Scheme, capped at a maximum of 5% of FCI made in the state.
3. The incentive is eligible only to the extent of investment committed to GoI and proportionate FCI made in AP.
4. Incentive shall be disbursed in 5 equal annual installments from the DCP.

Employment creation subsidy

1. Projects showing higher Direct employment to investment (FCI) ratio will be incentivized with the employment creation subsidy.

Employment to Investment (E/I) ratio	Eligible incentive (% of FCI)
5 and above	10% of FCI

> = 3 and < 5	9% of FCI
> = 1 and < 3	8% of FCI
Less than 1	NIL

2. Direct employment includes both Full time and contract employees in company's payroll.

3. The eligible incentive will be disbursed in equal annual installments of 5 years from DCP, subject to cumulative employment on-payrolls (in the form of new EPF accounts created by the employer).

Local Procurement Subsidy

1. To encourage domestic sourcing of raw material, for exporting units in select sectors registered in the state, government will reimburse 1% of annual export turnover, accumulated over the financial year.

2. The incentive can be claimed annually for 3 years from the date of commercial production or within the policy period whichever is earlier.

3. The eligible sectors will be as defined in the operational guidelines of the policy

4. The incentive is applicable for new and expansion projects.

Power Cost reimbursement

1. Fixed power cost reimbursement at INR 1 per unit for 2 years from the date of commencement of commercial production.

2. It is encouraged that units to invest in energy, water efficient or pollution or waste minimizing machinery to avail De-carbonization subsidy.

Net SGST Reimbursement

100% net SGST payable on the sale of final products manufactured, sold, and registered in the State, will be reimbursed for a period of 5 years from the date of commercial production.

INCENTIVES AND CONCESSIONS FOR LARGE PROJECTS

1. Policy offers a maximum capital subsidy of 12% of FCI subject to installation of committed total plant capacity.

Installed plant capacity	Eligible incentive (% of FCI)
50% of total committed plant capacity	6% of FCI
100% of total committed plant capacity	6% of FCI
Total Eligible incentive	12% of FCI

2. For Projects delayed beyond committed completion date, the incentive will be reduced by 0.5% for each month of delay in DCP from the committed date in the application.

3. The incentive eligible in a given financial year shall be disbursed in 7 equal annual installments from the DCP.

Top-up on PLI from Government of India

1. This incentive is in addition to the investment subsidy, applicable only for those projects that received GoI approval under PLI scheme or any other GoI scheme notified by the state from time to time.

2. State government will give 10% of the total incentive amount sanctioned for the project under the GoI Scheme, capped at a maximum of 5% of FCI made in the state.

3. The incentive is eligible only to the extent of investment committed to GoI and proportionate FCI made in AP.

4. Incentive shall be disbursed in 5 equal annual installments from the DCP.

Employment creation subsidy

1. Projects showing higher Direct employment to investment (FCI) ratio will be incentivized with the employment creation subsidy.

Employment to Investment (E/I) ratio	Eligible incentive (% of FCI)
5 and above	10% of FCI
3-5	9% of FCI
1-3	8% of FCI
Less than 1	NIL

2. Direct employment includes both Full time and contract employees in company's payroll.

3. The eligible incentive will be disbursed in equal annual installments of 7 years from DCP, subject to cumulative employment on-payrolls (in the form of new EPF accounts created by the employer).

Net SGST Reimbursement

100% net SGST payable on the sale of final products manufactured, sold, and registered in the State, will be reimbursed for a period of 5 years from the date of commercial production.

INCENTIVES AND CONCESSIONS FOR MEGA AND ULTRA MEGA PROJECTS

Projects with following committed FCI size and standard investment period will be categorized as Mega and Ultra Mega

Project category	FCI Size	Standard Investment period
Mega	Above INR 1,001Crores upto INR 5,000	3 years

Ultra Mega	Above INR 5,001 Crores	4 years
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Tailor made benefits: The Government will extend tailor-made benefits to mega and above projects to suit particular investment requirements 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.

Investment Subsidy

1. Policy offers a maximum capital subsidy of 15% of FCI subject to installation of committed total plant capacity for both Mega & Ultra Mega projects.

Installed plant capacity	Eligible incentive (% of FCI)
50% of total committed plant capacity	5% of FCI
75% of total committed plant capacity	5% of FCI
100% of total committed plant capacity	5% of FCI
Total Eligible incentive	15% of FCI

2. The incentive eligible in a given financial year shall be disbursed in 10 equal annual installments from the DCP for both Mega and Ultra Mega projects.
3. The incentive is applicable or new and expansion projects.
4. For Projects delayed beyond committed completion date, the incentive will be reduced by 0.5% for each month of delay in DCP from the committed date in the application.

Top-up on PLI from Government of India

1. This incentive is in addition to the investment subsidy, applicable only for those projects that received GoI approval under PLI scheme or any other GoI scheme notified by the state from time to time.
2. State government will give 10% of the total incentive amount sanctioned for the project under the GoI Scheme, capped at a maximum of 5% of FCI made in the state.
3. The incentive is eligible only to the extent of investment committed to GoI and proportionate FCI made in AP.
4. Incentive shall be disbursed in 5 equal annual installments from the DCP.

Employment creation subsidy

1. Projects showing higher employment to investment ratio will be incentivized with the employment creation subsidy.

Employment to Investment (E/I) ratio	Eligible incentive (% of FCI)
5 and above	10% of FCI
3-5	9% of FCI
1-3	8% of FCI
Less than 1	NIL

2. The eligible incentive will be disbursed in equal annual installments of 9 years for Mega and 10 years for Ultra Mega from DCP, subject to cumulative employment on-payrolls (in the form of new EPF accounts created by the employer), shown during the disbursement period.

STANDARD INCENTIVES AND CONCESSIONS FOR ALL INVESTMENT BANDS

Standard Incentives are applicable for all investment bands Sub-large, Large, Mega and Ultra Mega.

De-carbonization subsidy

1. To encourage circular economy, clean production, waste reduction, resource efficiency, green energy and safety measures government will incentivize responsible investors with de-carbonization subsidy.

2. Investment incurred towards plant and machinery for de-carbonization intervention will receive capital subsidy as a percentage of eligible project cost.

Srl No.	Category	Non-Red category (Incentive as % of eligible project cost)	Red category (Incentive as % of eligible project cost)	Maximum incentive (% of FCI)
1	Sub-large	10%	15%	6%
2	Large	20%	25%	
3	Mega	20%	25%	
4	Ultra-Mega	30%	35%	

3. The total incentive under this category will be limited to a maximum of 6% of FCI.

4. The incentive is applicable for projects that are built for captive use.

5. Incentive will be disbursed according to the tenure specified for the respective investment band in the investment subsidy.

Stamp Duty reimbursement

1. 100% stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use will be reimbursed.

2. 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed.

3. Stamp duty will be reimbursed only one time on the land. Stamp duty will not be reimbursed on subsequent transactions on the same land.

Land conversion charges

100% fee charged for land conversion will be reimbursed.

Revival of sick units

Government will investigate sick enterprises and on case-to-case basis will extend support and take measures for reviving of the sick units.

SPECIAL PACKAGE FOR EARLY BIRD PROJECT SCHEME

1. Special incentives for two categories of investments will be given as described below:

a. Category I: For the first 200 projects, meeting eligibility conditions, and receiving CFE within 18 months of notification of this policy, will be offered Investment subsidy of 30% of FCI.

b. Category II: To incentivize value added manufacturing, investments in sectors/sub-sectors identified for promotion by GoI under any PLI schemes, and meeting eligibility conditions, will be offered investment subsidy of 40% of FCI. For such projects, time requirement to receive CFE will be relaxed to 24 months from notification of this policy.

c. Companies availing benefit under category II are not eligible to avail benefit under category I.

2. The incentives for category I and II in this “Early Bird Project Scheme”, will override the “incentive subsidy” applicable in the respective investment band for all Sub Large, Large, Mega & Ultra Mega.

3. For claiming of incentive, the units will have to achieve DCP within the standard investment period defined for the respective investment bands, from the date of notification of this policy.

4. For Mega & Ultra-Mega projects, the state will negotiate a competitive tailored incentive package.

5. This incentive is applicable for both new and expansion projects.

6. The disbursement timeline of incentives under this scheme will be same as that indicated under respective investment band.

PRIORITY SECTORS

- Ancillary and Downstream in metal sector
- Agro Processing
- Cold Storage and Cold-chain infrastructure
- Food and Sea-food Processing
- Gemstone - Cutting and Polishing; Granite – Cutting and Polishing
- Handicraft, Handloom, Coir based products
- Information Technology (IT), IT Enabled Services (ITES), and Datacenters
- Plastics
- Rare Earth Minerals based value-added products
- Specialty Steel and its Products
- Shipbuilding, Ship-repair, and construction of other mechanized floating vessels
- Tourism and Hospitality
- Special Category of Industries as mentioned below
 - Industrial units in Priority Sector list, dealt under the State Financial Corporation Act 1951 or Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 or under the provisions of Insolvency and Bankruptcy Code (IBC) of India, 2016 or any other applicable provisions of law and thereafter sold to a new entity and certified eligible as new industrial unit for the purpose of this IPR
 - Migrated industrial units in the priority sectors will be treated as new industrial units
 - Non-mineral based new industrial units located in the districts of Bolangir, Gajapati, Kalahandi, Kandhamal, Koraput, Malkangiri,

Mayurbhanj, Nabarangpur, Nuapada, Rayagada, Subarnapur, Boudh, Nayagarh, Deogarh, Kendrapada with a minimum investment of Rs 5 crores in Plant & Machinery and providing direct employment to not less than 20 state domiciled people

- Non-mineral based new manufacturing industrial units providing direct employment to not less than 200 state domiciled people
- Any industry other than mineral extraction and mineral based industries which exports more than 50% of its total turnover, duly certified by the Director of Export Promotion and Marketing, Odisha
- Industrial units utilizing notified forest produce as primary raw material
- Dormitories and hostels for workers

THRUST SECTORS

- Aerospace and Defense
- Automobiles and Auto-components
- Biotechnology, Pharmaceuticals, Bulk Drug, and Medical Equipment
- Chemicals and Petrochemicals
- Electronics System Design and Manufacturing (ESDM)
- Green Energy Equipment
- Green Hydrogen and Green Ammonia
- Manufacturing in Aviation and Maintenance, Repair & Overhaul (MRO) facilities
- Mechanical and Electrical Capital Goods
- Telecommunication Equipment
- Textiles, Technical Textiles, Apparel, Wearables, and Luggage
- White Goods and Components

- Special Category of Industries as mentioned below:
 - Non-mineral based new industrial units in the notified areas in the Biju Economic Corridor
 - Non-mineral based new industrial units providing direct employment to not less than 1000 state-domiciled people
 - Migrated industrial units in the thrust sectors will be treated as new industrial units.
 - Industrial units in Thrust Sector list, dealt under the State Financial Corporation Act 1951 or Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or under the provisions of Insolvency and Bankruptcy Code of India, 2016 or any other applicable provisions of law and thereafter sold to a new entity and certified eligible as new industrial unit for the purpose of this IPR.

EASE OF DOING BUSINESS

- IPICOL, RICs, and DICs will be further strengthened by way of improvements in infrastructure, manpower, and financial support, to enable them to discharge additional functions of investment facilitation.
- IPICOL shall induct Sectoral Experts in thrust and priority sectors to provide technical guidance to investors and government departments.
- IPICOL shall assign a “Nodal Officer” to provide handholding support to investors.
- The scope of work of DIPA shall be expanded to facilitate investments during the complete life cycle.
- For select high-value investments, a project-specific “Task Force” shall be constituted to steer the investments and monitor the project progress, providing necessary support for the successful completion of the projects in a timely manner.

- The Government shall rigorously implement the “Industry Care” mechanism, ensuring that all grievances/issues raised by industries about setting up and operating in the State are resolved promptly.
- The State Level Facilitation Committee (SLFC) shall be strengthened further by the involvement of representatives from all the concerned departments.
- Investors (for projects more than Rs 50 crore) can use an online portal to raise major concerns to the State Level Project Monitoring Group (SPMG), chaired by the Chief Secretary for quick resolution. IPICOL will be the technical secretariat for SPMG.
- The state shall endeavor to eliminate the physical interface between the approving departments and the industry, except in case of specific exceptions.

INCENTIVE SCHEMES

Incentive Name	Incentive Particulars
Land Incentives	<ul style="list-style-type: none"> • IDCO will allocate developed land in industrial areas at concessional industrial rates • Units in Priority & Thrust Sectors will be granted 100% exemption from payment of premium on land registration • New industrial units in the Thrust Sectors, creating direct employment of more than 1000 state-domiciled people, shall be eligible for land at 50% of the concessional industrial rate (except BDA and CDA) • Eligible Companies having existing investments or making new investments of more than INR 5000cr or providing direct employment to >500 people in the State, shall be provided land for setting up offices in Odisha at a concessional industrial land rate.

Stamp Duty Exemption	No stamp duty will be required to be paid in respect of the land allotted by the Government, IDCO, or Private Industrial Estate Developers to the industrial units
Exemption on Electricity Duty	<ul style="list-style-type: none"> • New industrial units in Priority and Thrust Sectors will be 100% exempt from Electricity Duty for 7 and 10 years respectively from the date of commencement of commercial production. • Industrial units in the Priority and Thrust Sectors shall be eligible for 100% exemption/reimbursement of cross-subsidy & additional surcharges and state transmission charges on renewable energy procured from state-based renewable energy plants / GRIDCO for 7 and 10 years respectively from the date of procurement of renewable energy for commercial production in the state. • For Green Hydrogen and Green Ammonia manufacturing units, <ul style="list-style-type: none"> ○ 100% exemption from payment of Electricity Duty for 20 years from the date of commencement of commercial production ○ For renewable energy consumed, cross subsidy surcharge & additional surcharges, and state transmission charges will be exempted/reimbursed for 20 years from the date of commencement of commercial production
Power Incentives	<ul style="list-style-type: none"> • New industrial units in Priority and Thrust Sectors shall be provided reimbursement of Power Tariff of Rs. 2/unit for a period of 7 and 10 years respectively from the date of commencement of commercial production.

	<ul style="list-style-type: none"> For Green Hydrogen and Green Ammonia manufacturing units, reimbursement of Power Tariff of Rs. 3.00 per unit consumed and purchased from local DISCOMs / GRIDCO for 20 years from the date of commencement of commercial production
Incentive for Fixed Capital Investment	20 % (Priority Sector) or 30% (Thrust Sector) capital investment subsidy on actual investment in plant & machinery (excluding the cost of land and building) without any upper limit disbursed over 5 years from the date of commencement of commercial production.
State Goods and Services Tax (SGST) reimbursement	<ul style="list-style-type: none"> New industrial units under Thrust and Priority Sectors shall be eligible for reimbursement of 100% of net SGST paid, overall limited to 200% of the cost of plant and machinery, provided that the SGST reimbursement shall be applicable only to the net tax paid towards the state component of GST, after the adjustment of an input tax credit against output tax liability. For units in Biju Economic Corridor, the overall limit is 300% of the cost of plant and machinery
Employment Subsidy	New industrial units in the Priority and Thrust Sectors shall be eligible for 100% reimbursement of the employer's contribution towards ESI and EPF Scheme for a period of 5 and 7 years respectively from the date of commencement of commercial production for skilled and semi-skilled state domicile workers.
Environment-Friendly Infrastructure Incentives	<ul style="list-style-type: none"> For the new & existing industrial units in Priority and Thrust sectors, a subsidy of 25% of the investment in new plant & machinery and the cost of new technical civil works will be provided for the following green measures up to the maximum total limit of Rs. 10

	<p>crores per industrial unit: Green Buildings, Waste-water Treatment Facilities, Effluent Treatment Plant and Deep-sea discharge facility</p> <ul style="list-style-type: none"> • New and Existing Industries in Thrust and Priority Sectors practicing at least 50% waste-water recovery through Zero Liquid Discharge (ZLD) by setting up of new facilities as certified by Odisha State Pollution Control Board (OSPCB) shall be provided up to 50% of capital subsidy on cost of relevant equipment up to a maximum of Rs. 10 crore per industrial unit.
<p>Special Incentives for Captive Renewable Energy Plants</p>	<ul style="list-style-type: none"> • 30% capital investment subsidy for plant and machinery including technical civil works, transmission lines and systems in a phased manner • 100% exemption of Electricity Duty for 20 years from the date of consumption of renewable energy for commercial operations in the state. • 100% exemption / reimbursement of state transmission charges for 20 years from the date of consumption of renewable energy for commercial operations in the state. • Priority allocation of site(s) for renewable energy generating plant(s) under the categories as mentioned above. • Provision of long-term lease of water reservoir surface area for floating solar power plant at a total premium of Rs.1 lakh/acre. • Power Banking shall be allowed within the state on a monthly basis subject to regulation by Odisha Electricity Regulatory Commission (OERC)

Incentive for Private Industrial Parks	Capital grant limited to 50% of the cost of industrial infrastructure subject to maximum of Rs. 25 crore per park or cluster for development of quality industrial infrastructure to industrial parks and clusters promoted by private sector developers or industry associations or user units forming an SPV with a minimum land area of 100 acres
Innovation and R&D	Eligible R&D investments in the identified Priority and Thrust Sectors would be eligible for 50% assistance on investments subject to a maximum of Rs. 10 crore.

Sectors	Investment Facilitation	Land @ Concessional rates	Incentives
Priority Sectors	Yes	Yes	Priority Sector Incentives
Thrust Sectors	Yes	Yes	Thrust Sector Incentives
Negative Sectors	Yes	No	No
All other Sectors	Yes	Yes	No