

SCHEME-2

West Bengal State Support for Industries Scheme- 2013 as amended up to 12.09.2014 (Applicable for Large Scale Industries)

Introduction

The State of West Bengal offers various subsidy/incentives to the large scale industries for promotion of Industrial Investment in the State. A gist of the Scheme has been compiled by us, as hereunder, for quick understanding:

Commencement /Duration of the scheme

'The **West Bengal State Support for Industries Scheme, 2013**' is effective on and from the 1st day of September, 2013 in the state of West Bengal and will remain valid for a period of 5 years ending on 31st day of August, 2018 for Industrial Projects of large scale units to be set up in the state.

However, for registration under this scheme, the last date of On-line application through WBIDC website is 16.07.2018 and subsequent submission of documents to the Director of Industries (DI) for the preliminary Registration Certificate, RC in Part I have to be completed by 31.07.18.

Category of the Industries (Scale of Investment)

Scale	Investment Cap
Scale - 1	Investment in 'Plant & machinery' of Rs. 10 Crore (Rs.5 Crore for Expansion) and up to Rs. 100 Crore.
Scale - 2	Investment in 'Plant & machinery' of above Rs. 100 Crore and up to Rs. 500 Crore.
Scale - 3	Investment in 'Plant & machinery' of above Rs. 500 Crore and up to Rs. 1000 Crore.
Scale - 4	Investment in 'Plant & machinery' of above Rs. 1000 Crore.

"Fixed Capital investment" hereinafter referred to as FCI, means investment made only on and after 01/04/2011 in the Plant and Machinery including equipment installed for pollution control measures till the date of CCP provided that the first date of CCP with such investment shall be the date after 01/09/2013. While making calculation of "Fixed Capital Investment", investment made only on Plant & Machinery as indicated below shall qualify:

- ✓ Cost of Plant & Machinery/equipment including the cost of productive equipment required directly for the purpose of manufacture of goods and erected at the approved location;
- ✓ Cost of equipment pertaining to pollution control measures;

- ✓ Cost of second hand Plant & Machinery as certified by DGFT required directly for the purpose of manufacture as also cost of equipment pertaining to pollution control measures as above, when imported from outside India by the unit itself and not previously used in any State in India.
- ✓ Advances paid to the suppliers of Plant & Machinery for the approved project of the eligible unit on and after 01/04/2011

As per the scheme, entire state of West Bengal is classified into four groups/zones for ascertainment of quantum of subsidy available in different districts/areas.

A statement showing classification of the Groups

Groups	Area
Group A	Kolkata Municipal Corporation, North 24 Parganas (Bidhannagar Municipality and Nabadiganta Industrial Township), South 24 Parganas (Alipur Subdivision).
Group B	Howrah, North 24 Parganas (Barrackpore and Barasat Sadar Subdivisions), South 24 Parganas (excluding the area under the jurisdiction of the Kolkata Municipal Corporation and Sundarban Development Board), Durgapur and Asansol Subdivisions of Burdwan District and Haldia Subdivision of Purba Medinipur Districts.
Group C	Murshidabad, Birbhum, Nadia, Hooghly Districts, Burdwan (excluding Asansol and Durgapur Subdivisions), Purba Medinipur District (except Haldia Subdivision), North 24 Parganas (Bongaon and Basirhat Subdivisions), South 24 Parganas (Baruipur, Canning, Diamond Harbour, Kakdwip Subdivision).
Group D	Malda, Coochbehar, Uttar Dinajpur, Dakshin Dinajpur, Jalpaiguri, Darjeeling, Purulia, Bankura and Paschim Midnapur Districts and area under Sundarban Development Board

Meaning of New & Expansion Units

New Unit means

A unit in the large sector for manufacturing goods in West Bengal for the first time which starts commercial production on and after 01/09/2013 and is registered with Directorate of Industries (DI).

Expansion of Unit means

Expansion of total production capacity of an existing unit at a new location or the same location, either for a new or a different product, irrespective of whether such pre-expansion unit is already registered, or not, under the same or a previous Incentive Scheme, but subject to the following conditions:

- (a) minimum fixed capital investment of Rs. 5.00 crore is made for such expansion;
- (b) the total fixed capital investment for the pre-expansion capacity and the expanded capacity taken together, becomes more than Rs. 10.00 crore;
- (c) such expansion must result in increase over and above the capacity of the existing pre-expansion unit, (i) if registered, as recorded in the registration certificate under this Scheme, or any previous Scheme, or (ii) if unregistered, as recorded with any Central or State Government authority, to be provided by the applicant seeking registration;
- (d) Commercial production of such expansion at new location was/is started on or after 01/09/2013.

However, Expansion in the same location, for the same product or a different product shall not be entitled to the benefit under "Waiver of Electricity Duty".

(A) Incentives/ Benefits under WBSSIS- 2013 :- Scale-I

The fiscal incentives and concessions for investment under Scale - 1 is as follows:-

(1) Industrial Promotion Assistance (IPA)

- ✓ Industrial Units under Group B, C & D and falling in the scale 1.
- ✓ IPA is equivalent to below mentioned percentage of VAT & CST paid by the unit in the previous year and up to 75% of the FCI by the industry, whichever reaches earlier.

AREA	Maximum Limit (Rs In Lacs)	Maximum no of Years
Group B & C	80 %	8
Group D	90 %	8

Note: VAT shall be considered for the entire eligible period. However CST shall be considered for the first three years from the date of CCP date as certified by DI.

(2) Waiver of Electricity Duty

✓ For Scale - 1 only

Area	No. of Years	% of waiver	Ceiling
Group B & C	1 to 5	100 % of Electricity Duty subject to max. Ceiling	Max. of Rs. 25 lakh per year or Rs. 1.25 Crores in 5 years
Group D	1 to 10	Year 1 to 5 - 100 % Year 6 to 10 - 75 %	Max. of Rs. 25 lakh per year or Rs. 2.50 Crores in 10 years

(3) Additional Incentive on Generation of Employment

Entitlement: - If at least 50% of the employees in the unit are recruited from amongst the persons registered with the Employment Bank of the State at the time of claiming this incentive. This incentive is subject to condition that:-

An eligible unit in the large sector will be entitled to re-imbursment of a certain % of the expenditure incurred by it for paying its contribution towards Employees State Insurance (ESI) and employees provident Fund (EPF) depending on the location. Zone-wise percentage of re-imbursment is as under:-

Area	Reimbursement % of contribution towards ESI & EPF
Group B : 5 years	80 %
Group C : 7 years	80 %
Group D : 10 years	100 %

(4) Refund of Stamp Duty

✓ The new Industries under Scale 1 will be eligible for 75 % Stamp Duty refund for B, C and D zones. Stamp duty paid by the unit has to be certified by the concerned Registering Authority.

(B) Subsidy Benefits available for projects comes under Scale 2, 3 & 4 :-

(1) Industrial Promotion Assistance (IPA)- Industrial units which comes under Group B, C & D and falling in the scale 2, 3 & 4 is eligible for IPA benefits. IPA is equivalent to below mentioned percentage of VAT & CST paid by the unit in the previous year and up to 75% of the FCI, whichever reaches earlier.

IPA for projects comes under Scale- 2

Area	Maximum Limit (Rs in lacs)	Maximum No of Years
Group B & C	80 %	9
Group D	90 %	9

IPA for projects comes under Scale 3

Area	Maximum Limit (Rs in lacs)	Maximum No of Years
Group B & C	80 %	12
Group D	90 %	12

IPA for projects comes under Scale 4

Area	Maximum Limit (Rs in lacs)	Maximum No of Years
Group B & C	80 %	15
Group D	90 %	15

Note:

VAT will be considered for the entire eligible period. However, CST shall be considered for the first three years from the CCP date as certified by DI.

(2) Exemption from Stamp Duty- Stamp Duty to be paid in respect of:-

- ✓ Loan agreements, credit deeds, mortgage and hypothecation deeds executed for availing term loans.
- ✓ For lease deeds, lease-cum-sale and absolute sale deeds executed by industrial enterprises in respect of industrial plots, sheds, industrial tenements shall be reimbursed stamp duty after issue of Registration Certificate in Part II. Zone-wise reimbursement of stamp duty is as under:-

(a) Zone B – 50%; (b) Zone C – 75%; (c) Zone D – 90% of Stamp Duty Waiver

Note

Units falling under Scale 2, 3 & 4 are not entitled for waiver of Electricity duty benefits (except as mentioned in para C(4) below)) and incentive on generation of employment.

(C) The fiscal incentives and concessions common for investments under all Scales -1,2,3 & 4 and would be as follows:

1. Anchor Unit Subsidy of Rs 100.00 Lacs

- ✓ It shall be offered for the first two manufacturing enterprises.
- ✓ With minimum employment of 100 members and minimum investment of Rs. 50 Crore in each of the Sub-Divisions coming in Groups- B, C & D
- ✓ Applicable only in areas where no industrial enterprises with investment of Rs. 50 Crore and above exist at present.

2. Patent Registration

- ✓ 50% of the Expenditure Incurred
- ✓ Up to a Maximum of Rs 2 Lakhs Per Patent
- ✓ The expenditure incurred will include the amount spent on filing of patent, attorney fees, patent tracking etc.

3. Waiver of Land Conversion Fee

Area	% of Conversion Fee Waiver
Group B	50 %
Group C	75 %
Group D	100 %

4. Waiver of Electricity Duty for EOUs, VAT/CST Exempted Units & Power Intensive Units

- ✓ 100% Export oriented units (EOU), units exempted from paying VAT/CST and Power Intensive Units as defined in WBIPS 2005 will be entitled to receive Waiver of Electricity Duty **without ceiling of upper limit**, for number. of years and percentage of waiver is as mentioned in para A (2) above.
- ✓ In the above case, IPA benefits will not be applicable to the Power Intensive Units and the quantum of Waiver of Electricity Duty itself shall not be more than 100% of Fixed Capital Investment (FCI).

5. Additional Incentive for select Industries

The following industries will get Additional Incentive like, Tax Holiday, Stamp Duty Exemption, as mentioned below, for a certain duration, besides the normal incentive admissible in the respective Area (A/B/C/D) and Scale (1/2/3/4).

- ✓ Garment Manufacturing and Hosiery (Stitching and sewing with no dyeing and affluent generating component)
- ✓ Gems and Jewellery
- ✓ Handicraft
- ✓ Agro & Food Processing
- ✓ Jute & Textile
- ✓ Leather (In the Calcutta Leather Complex)

- ✓ HPL Downstream Projects

(i) Tax Holiday on payment of net amount of VAT

- ✓ Group B: 2 Years
- ✓ Group C: 3 Years
- ✓ Group D: 5 Years

(ii) Stamp Duty Exemption

- ✓ Unit which comes under group C & D, the stamp duty on the Registration of property has been fully exempted.
- ✓ Reduction in the stamp duty for unit which comes under group A - @25 % and B - @ 75 %.

NOTE: Any benefit by way of incentives enjoyed by the unit from any other department of the State/Central Government shall, however be adjusted while determining the entitlement of such units under the WBSSIS-2013.

(6) Incentives to service related activities in food processing sector and development of post-harvest infrastructure:

The units in the large scale sectors shall be entitled to all the admissible benefits under WBSSIS-2013 as per scales of investment, with service related activities as explained below:

Units set up with the following mechanized facilities jointly or severally,

- ✓ Grading, sorting, washing and pre-cooling;
- ✓ Controlled/modified atmosphere, packaging system
- ✓ Cold storage (with investment in Plant and Machinery more than Rs. 10 Cr); and
- ✓ Refrigerated vehicle;
- ✓ Multi-purpose cold storage units suitable for storing fruits, vegetables, flowers, fish, meat, milk and milk products;
- ✓ Identical Benefits by way of incentives enjoyed by the unit from any other department of the State/Central Government shall, however be adjusted from the eligible IPA amount, if any.

Note

WBSSIS 2013 is generally applicable for manufacturing sectors. However, the above-mentioned service sectors are also covered under the said incentive scheme and applicable for all scales of investment.