

SCHEME-5

The West Bengal ICT Incentive Scheme 2012 for IT Units (For Micro, Small, Medium & Large Enterprises)

The scheme is applicable to all IT industry and IT enabled services projects of large, medium, small and micro units and also for expansion projects of Existing units which is established and commissioned on or after 1st August 2012. This scheme is effective from 1st August 2012 and valid up to 31st July 2017 in the whole of West Bengal. The units may be in the private sector, co-operative Sector, joint sector and also companies /undertakings owned or managed by the State Government.

Expansion of Existing Unit means expansion of the capacity of an existing unit which involves *increase in FCI by 25% or more or Rs 50 Lakhs whichever is higher.*

IT Industry includes IT software and hardware including Data Center; IT Software Industry means IT software, IT services and IT enabled services, where no factory operation is involved; IT hardware includes electronic industries including Electronic IT Equipment Manufacturing, Telecom Devices, Telecom Infrastructure Equipment, Electronic Component Manufacturing, Solar Equipment including Wafer Cells and Modules, LED Systems, Electronic Testing and Scientific Equipments, Semiconductors and other activities in Electronic System Design and Manufacturing (ESDM)

Hardware Industry means and includes the units in hardware sector as defined above, with investment in fixed capital of a minimum amount of Rs 5.00 crore and above.

Classification of areas- For the determination of type and quantum of incentive available under the scheme, the state of West Bengal has been classified into the following groups.

Group	Area
Group A	Kolkata Municipal Corporation , North 24 Parganas, South 24 Parganas, Howrah
Group B	District Hooghly and Sub divisions of Siliguri, Durgapur Asansol, Haldia, Kalyani, & Kharagpur,.
Group C	Districts of Bardhaman (excluding Sub divisions of Durgapur & Asansol), Nadia (excluding Sub division of Kalyani), Purba Medinipur (excluding Sub division of Haldia), Murshidabad,

	Malda & Jalpaiguri.
Group D	Districts of Birbhum, Bankura, Paschim Medinipur (except sub-division of Kharagpur), Darjeeling (excluding sub-division of Siliguri), Coochbehar, Uttar Dinajpur, Dakshin Dinajpur, Purulia and any other place not covered under Group A, B & C above.

Different types of subsidy available under the Scheme are as under:-

1. State Capital Investment Subsidy :

Group	Percentage /Max Limit		
	IT Software Unit in the field of animation & Gaming	Other IT Software Unit	Hardware Unit
Group A & B	12 % of the FCI subject to a limit of Rs 350 lakhs payable in 5 equal yearly instalments.	10 % of the FCI subject to a limit of Rs 250 lakhs payable in 5 equal yearly instalments	12 % of the FCI subject to a limit of Rs 450 lakhs payable in 5 equal yearly instalments. (Except in areas falling under the jurisdiction of KMC)
Group C	15 % of the FCI subject to a limit of Rs 450 lakhs payable in 5 equal yearly instalments.	12 % of the FCI subject to a limit of Rs 350 lakhs payable in 5 equal yearly instalments.	12 % of the FCI subject to a limit of Rs 450 lakhs payable in 5 equal yearly instalments.
Group D	15 % of the FCI subject to a limit of Rs 450 lakhs payable in 5 equal yearly instalments.	15 % of the FCI With no upper limit payable in 5 equal yearly instalments.	15 % of the FCI subject to a limit of Rs 450 lakhs payable in 5 equal yearly instalments.

Fixed Capital Investment (FCI) means the investment made in Land, Building, and Plant & Machinery.

2. Interest Subsidy on Term Loan and Training Subsidy.

Zone	Percentage / Max Limit
Group A & B	25 % of the annual interest and Rs 20000 or 1 month salary whichever is lower to a maximum of 750 candidates subject to a ceiling of Rs 150 lakh per year for 5 years. (Except hardware units located in areas falling under the jurisdiction of KMC)
Group C & D	25 % of the annual interest and Rs 20000 or 1 month salary whichever is lower to a maximum of 1000 candidates subject to a ceiling of Rs 200 lakh per year for 7 years.

3. Waiver of Electricity Duty

100 % waiver for 5 years in Group A & B and 7 years in Group C & D from the date of commercial operation.

1. Refund of Stamp Duty and Registration Fees

- ✓ An eligible IT unit irrespective of its location will be entitled to refund of 100% of stamp duty and registration fee required for the purpose of registration of documents within the state relating to purchase/acquisition of land and building for setting up of the approved project.
- ✓ For IT enabled Services, requirement of land will be assessed at the rate of 0.3 acre for every 100 jobs created. If a unit acquires land in excess of this limit no concession in respect of stamp duty and registration fees for excess land shall be allowed

5. Employment Generation Subsidy:

Zone	Percentage / Max Limit	
	Large & Medium Sectors	Small & Micro Sectors
Group A & B	Reimbursement of 50% of expenditure incurred towards Employees State Insurance (ESI) & Employee Provident Fund (EPF) subject to a maximum of Rs 1.00 crore per year for a period of 5 years (Except hardware unit located in areas falling under the jurisdiction of KMC)	Reimbursement of 75% of expenditure incurred towards Employees State Insurance (ESI) & Employee Provident Fund (EPF) subject to a maximum of Rs 1.50 crore per year for a period of 5 years (Except hardware unit located in areas falling under the jurisdiction of KMC)
Group C	Reimbursement of 50% of expenditure incurred towards Employees State Insurance (ESI) & Employee Provident Fund (EPF) subject to a maximum of Rs 1.00 crore per year for a period of 7 years.	Reimbursement of 75% of expenditure incurred towards Employees State Insurance (ESI) & Employee Provident Fund (EPF) subject to a maximum of Rs 1.50 crore per year for a period of 7 years.
Group D	Reimbursement of 50% of expenditure incurred towards Employees State Insurance (ESI) & Employee Provident Fund (EPF) subject to a maximum of Rs 1.00 crore per year for a period of 10 years.	Reimbursement of 75% of expenditure incurred towards Employees State Insurance (ESI) & Employee Provident Fund (EPF) subject to a maximum of Rs 1.50 crore per year for a period of 10 years.

6. Quality Improvement:

Micro, small and medium sector shall be reimbursed 50 % of the expenditure subject to a maximum limit of Rs 5.00 lakh for obtaining ISI certification, certification from CMM level 2 upwards, ISO9000, ISO 27001 for security, COPC, eSCM and from any other quality assurance body approved by IT department.

7. Subsidy for Patents Registration:

Micro, small and medium sector shall be reimbursed 50 % of the cost of filing patents subject to a maximum limit of Rs 5.00 lakh per year.

8. Refund of Central Sales Tax (CST):

A Hardware unit set up in Group A (Except in areas falling under the jurisdiction of KMC),B,C,D will be entitled to refund of 100% of CST paid until the abolition of CST or 5 years whichever is earlier.

9. Entrepreneurship Assistance:

Entrepreneurship Assistance for start-up Small, Medium and Micro IT software units in the state of West Bengal shall be as under:

- I. Reimbursement of 25 % of the lease rental for built up space ranging from 500 sft. to 5000sft. up-to a limit of Rs 5.00 lakh per year for a period of three years.
- II. Reimbursement of 25% of the power bill for a period of three years or Rs 30 lakh whichever is earlier, from the date of commencement of operation.
- III. Reimbursement of Rs 2.5 Lakh towards recruitment assistance for the recruitment made up-to 50 IT professionals within a period of 1 year;
- IV. Reimbursement of 50% Exhibition rental cost for participating in the notified national or international exhibition limited to 9 sq.mtrs of space;

Provided that assistance under the above clause shall be extended only to a start up Software Company in whose name a Trade License has been issued for the first time by a Municipal/local authority on or after **1st August 2012**.

