

SCHEME-1

West Bengal Incentive Scheme 2013 for Micro, Small and Medium Enterprises as modified up to 22.05.15

The West Bengal Incentive Scheme 2013 for MSMEs is effective on and from the 1st April 2013 applicable in the whole state of West Bengal and remains valid for a period of 5 years ending on 31st March, 2018. This incentive scheme is specifically for MSME units except units which come under Textile Sector and have commenced production on or after 01.04.2013.

As per the scheme, entire state of West Bengal is classified into five zones for ascertainment of type and quantum of subsidy available in different areas.

A statement showing classification of the zones

Zones	Areas
Zone - A	Kolkata Municipal Corporation area, All Municipal areas of North 24 Parganas, All municipal areas of South 24 Parganas, All municipal areas of Howrah.
Zone - B	District of Hooghly, North 24 Parganas (excluding municipal areas and Sundarban areas), South 24 Parganas (excluding municipal areas and Sundarban areas), Howrah (excluding municipal areas), Siliguri Municipal Corporation, Municipal corporation/Municipal areas of Paschim Medinipur, Purba Medinipur, Burdwan & Nadia.
Zone - C	District of Burdwan (excluding municipal corporation/municipal areas), Purba Medinipur (excluding municipal corporation/municipal areas), Nadia (excluding municipal corporation/municipal areas), Malda, Jalpaiguri, Murshidabad and Darjeeling (excluding Siliguri Municipal Corporation)
Zone - D	District of Birbhum, Purulia, Bankura, Paschim Medinipur (excluding Municipal corporation/municipal areas), Uttar Dinajpur, DakshinDinajpur, and Sundarban areas of South and North 24 Parganas districts.
Zone-E	Cooch Behar District

The WBIS 2013 as modified up to 22.05.15 for MSMEs shall generally be applicable to all micro, small and medium enterprises in the manufacturing sector which have started production on or after 1st day of April 2013. The units may be in the private sector, cooperative sector and joint sector undertaking as also companies/undertakings owned and

managed by the State Government and the Industrial SHGs. If an existing industrial unit sets up a branch as second/third unit etc. in different location in the state and manufactures new items, its second/third unit etc will only be treated as a new industrial unit provided EM (Part-II) is filed for the same.

Note : *New unit is eligible for subsidy. Expansion project whether same or new product at the existing location is not eligible under this scheme. However, expansion at new location with new product is covered and eligible for subsidy.*

Types of Subsidy Available

1) State Capital Investment Subsidy

Type of Enterprise	Zone	Percentage / Max. Limit
Micro Enterprise	Zone C	25% of the FCI
Micro Enterprise	Zone D	40% of the FCI
Micro Enterprise	Zone-E	60% of the FCI
Small Enterprise	Zone- C	15% (Max Rs. 50 Lakhs)
Small Enterprise	Zone- D	30% (Max Rs. 50 Lakhs)
Small Enterprise	Zone-E	40% (Max Rs 75 Lakhs)

- ✓ “Fixed Capital Investment (FCI)” means investment made in plant & machinery in an approved project of the eligible unit/enterprise on or after 1st April,2012.
- ✓ 20% additional subsidy on capital investment subsidy for all Micro and Small enterprises wholly owned by Women, SC/ST and minority community entrepreneurs.
- ✓ These entrepreneurs will also be entitled to Capital Investment subsidy for setting up of units in Zone A & B as follows : Micro Unit – 15% & Small Unit – 10% of FCI.
- ✓ The Subsidy normally admissible and additional subsidy taken together will not exceed Rs. 50.00 Lakh for a small enterprise located in Zone C & D area & will not exceed Rs 75 Lakh for a small Enterprise located in Zone E area.

Note: *State Capital Investment subsidy is not available for unit which comes under Zone- A and B. Further capital subsidy is also not available for unit which comes under medium scale for any zone.*

2) Interest Subsidy on Term Loan

Micro & Small Enterprise

Interest Subvention of 6% for units in Zone – A & B and 7.5% for units in Zone - C, D & E for 5 years on Term Loan only.

Medium Enterprise

- ✓ Zone B & C - 25 % of interest paid on Term Loan subject to a ceiling of Rs. 175.00 Lakh per year for 5 years.
- ✓ Zone D&E - 25 % of interest paid on Term Loan subject to a ceiling of Rs. 175.00 Lakh per year for 7 years.

Note: Interest subsidy is not available for Medium enterprise which comes under Zone- A.

3) Electricity Duty

Micro & Small Enterprise

- ✓ 50% waiver of electricity duty for Zone - A & B and 75% for Zone C,D&E for 5 years from the date of commencement of commercial production,
- ✓ The units set up in any zone and wholly owned by women, SC/ST & minority community entrepreneurs will be eligible for 100 % waiver for 5 years.

Medium Enterprise

- ✓ Zone B & C - 100% waiver of electricity duty on the electricity consumption for 5 years from the date of commencement of commercial production subject to a maximum of Rs. 25.00 Lakh per year or Rs. 1.25 Crore in 5 years.
- ✓ Zone D&E - 100% waiver of electricity duty on the electricity consumption for 5 years and 75% waiver from the 6th year up to 10th year from the date of commencement of commercial production subject to a maximum of Rs. 50.00 Lakh per year or Rs. 2.50 crore in 5 years.

Note: Electricity duty waiver benefit is not available to Medium enterprise comes under Zone- A.

4) Power Subsidy

Micro, Small, and Medium Enterprise

- ✓ Subsidy of Re. 1.00 / Kwh for unit comes under Zone A & B.
- ✓ Subsidy of Rs. 1.50/ Kwh for unit located in Zone C,D & E for 5 years from the date of commencement of production; subject to a ceiling of Rs 20 Lakh for small enterprises, Rs. 30 Lakh for medium enterprises per year which is payable annually.

5) Incentive for Energy Efficiency

Micro & Small Enterprise

- ✓ 50% re-imbusement of the cost of energy audit undertaken by a certified agency to be available after implementation of the recommendations.
- ✓ 25% reimbursement of the cost of installations for energy conservation as per energy audit subject to a ceiling of Rs. 2 Lakh.

6) Subsidy on Stamp Duty & Registration Fee-

If Stamp duty and Registration fees is paid for the purpose of registration of documents with in the state relating to purchase of land/or building for setting up of the approved project, the available benefits are as under:-

Micro & Small Enterprise

100% for Zone D&E, 75% for Zone C, 50% for Zone B and 25% for Zone A

Medium Enterprise

Under Zone B, C, D & E refund of Stamp duty @ 75%

7) Refund of Entry Tax (ET)

Micro, Small & Medium Enterprise

- ✓ An unit is entitled for refund of ET on procurement of plant and machinery which payable after commencement of commercial production.
- ✓ Refund of ET on procurement of raw materials for the initial period of 3 years . The refund will be made available after the commencement of commercial production.

8) Refund of Value Added Tax (VAT)

Micro, Small & Medium Enterprise

- ✓ Zone B & C - 80% VAT refund paid for 8 years from the date of commencement of commercial production or 75% of Fixed Capital Investment whichever reaches earlier.
- ✓ Zone D&E - 90% VAT refund paid for 8 years from the date of commencement of commercial production or 75% of Fixed Capital Investment whichever reaches earlier.

Note: Refund of VAT is not available for all MSME units which come under Zone- A.

9) Refund of Central Sales Tax (CST)

Micro, Small & Medium Enterprise

- ✓ Total refund of CST for a period of 3 years from the date of commencement of commercial production.

10) Subsidy for Water Conservation/ Environment Compliance

Micro or Small Enterprise

- ✓ Reimbursement of 50% of expenditure incurred by an eligible unit towards cost of captive Effluent Water Treatment Plant (Max Rs. 2.00 Lakh) for water conservation/ pollution control devices.

11) Subsidy for Standard Quality Compliance Micro & Small Enterprise: 50% of cost subject to a ceiling of Rs. 5.00 Lakh for obtaining ISI/ BIS certification / ISO-9000/ ISO-14000/ISO - 14001 / ISO-18000 certification from approved Institutions / Research Laboratories.

12) Work Force Welfare Assistance

Micro, Small & Medium Enterprise

- ✓ Reimbursement of 100% in 1st year & 75% in the remaining years of expenditure incurred towards Employees State Insurance (ESI) and Employees Provident Fund (EPF) if at least 50% of the employees in the enterprise are recruited from amongst the persons registered with Employment Bank of the State, the period of assistance are as follows:
- ✓ Zone B-5 yrs.
- ✓ Zone C-7 yrs.
- ✓ Zone D&E-9 yrs.

13) Subsidy for Patent Registration: Micro, Small & Medium Enterprises

Reimbursement of 50% of the expenditure incurred by it for obtaining Patent Registration for its products subject to a maximum of Rs. 5 Lakh.

14) Negative List of Industries

The WBIS 2013 for MSMEs as modified up to 22.05.15 is not applicable in case of the following industries:

- ✓ Sponge Iron Factory
- ✓ Bricks (Excluding Fly Ash bricks, Sand lime Bricks, Refractory Bricks)
- ✓ Bought leaf Tea Processing Factory
- ✓ Any other industry notified by the State Govt. for its inclusion in this list

A summary showing zone-wise subsidy/incentive applicable for all MSMEs is as under:-

Sl No.	Types of Subsidy	Zone				
		A	B	C	D	E
1.	State Capital Investment Subsidy	-	-	Micro, Small	Micro, Small	Micro, Small
2.	Interest Subsidy	Micro, Small	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
3.	Electricity Duty Waiver	Micro, Small	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
4.	Stamp Duty and Registration Fees	Micro, Small,	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
5.	VAT	-	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
6.	Power Subsidy/ CST/ Entry Tax	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium

