



### Fiscal Incentives, Exemptions & Subsidies

#### INCENTIVES

- Interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum per unit shall be provided to New Small Scale Industries (SSIs) and existing SSIs for modernization and substantial expansion, provided they have availed loan from State level Financial Institutions or Banks operating in Uttarakhand and not defaulted in payment of principal or interest installments. However, for S.S.I units and units notified as Thrust Industries being set up in remote areas, the interest incentive shall be granted @ 5% with a maximum of Rs. 3 lakhs/annum. The interest incentive shall be admissible to the unit only if it remains in operation for a minimum of three years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of incentive availed.
- For revival/rehabilitation of sick SSI units, interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum shall be provided on the loan taken under fully tied up revival and rehabilitation package from financial institutions, banks etc. For entrepreneurs in remote areas the interest incentive will be granted @ 5% with a maximum of Rs. 3 lakhs per annum.

The interest incentive shall be admissible to the units only if it remains in operation for minimum of 3 years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of incentive availed.

#### ALSO

100% Central Excise exemption for 10 years on items other than those mentioned in the negative list in the Concessional Industrial Package announced by the Central Government.

100% Income Tax exemption for first 5 years and 30% for next 5 years for the Companies

and 25% for others.

Capital Investment Subsidy @15% with a maximum of Rs. 30 Lakhs. (Rs. 3 million).

Central Transport Subsidy extended till 2007.

Exemption from entry tax on Plant & Machinery for setting up Industry or undertaking substantial expansion and modernization.

Land use conversion and development charges and regime will be rationalized. Stamp duty concessions will be provided in respect of land in specialized

commodity parks, including I.T. parks.

Interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum per unit shall be provided to New Small Scale Industries (SSIs) and existing SSIs for modernization and substantial expansion, provided they have availed loan from State level Financial Institutions or Banks operating in Uttaranchal and not defaulted in payment of principal or interest installments. However, for S.S.I units and units notified as Thrust Industries being set up in remote areas, the interest incentive shall be granted @ 5% with a maximum of Rs. 3 lakhs/annum. The interest incentive shall be admissible to the unit only if it remains in operation for a minimum of three years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of incentive availed.

For the purpose of Interest Incentive, Substantial Expansion shall mean additional investment of not less than 25% of the undepreciated book value of plant and machinery of an industrial unit.

For the purpose of the Interest incentive, modernization of new existing Industrial units means additional investment to the extent of 25% of the undepreciated book value of plant and machinery, made in acquisition of plant and machinery and technical know-how for such modernization.

For revival/rehabilitation of sick SSI units, interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum shall be provided on the loan taken under fully tied up revival and rehabilitation package from financial institutions, banks etc. For entrepreneurs in remote areas the interest incentive will be

granted @ 5% with a maximum of Rs. 3 lakhs per annum. The interest incentive shall be admissible to the units only if it remains in operation for minimum of 3 years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of incentive availed.

In the case of sick non-SSI units, Government will sympathetically consider measures required under revival/rehabilitation package drawn by Operating Agency/Financial Institutions/Banks.

100% exemption on Entertainment tax will be allowed for Multiplex projects in the State for a period of three years, and for all new amusement parks and ropeways for five years.

75% of the Total Expenditure subject to a maximum of Rs.2 lakhs incurred in obtaining national/internationally approved quality marks such as ISO series certificate etc., shall be reimbursed to the entrepreneurs provided that the reimbursement / grant availed for this from all sources should not exceed the total expenditure on this head.

50% of the expenses subject to a maximum of Rs.1 lakh incurred in installing pollution control equipments shall be reimbursed to the entrepreneurs, provided that the total reimbursement /grant availed for this from all sources should not exceed the total expenditure on this head.

75% of the cost subject to a maximum of Rs. 2 lakhs shall be made available to the entrepreneurs in the shape of assistance for registering their patents, provided that the total reimbursement/grant availed for this from all sources should not exceed the total expenditure on this head.

For educated unemployed youth, financial loan assistance for projects upto Rs.

1 lakhs in case of Manufacturing/Service Industry and projects upto Rs. 1 lakh in business sector shall be available under the “PRIME MINISTER ROZGAR YOJNA” with subsidy of 15% of the project cost subject to a maximum of Rs. 15,000. Age limit has also been relaxed under this scheme from 35 years to 40 years.

Industries generating employment opportunities shall be encouraged.

Purchase preference and price preference will be given to State SSIs in State purchases.

Purchase preference shall be accorded to Non-SSI units within the State vis-a-vis units outside the State.

Matching State subsidy on approved projects of National Horticulture Board (NHB), Agricultural & Processed Food Products Export Development Authority (APEDA), National Medicinal Plant Board (NMPB) subject to a maximum of Rs. 20 Lakhs and subject to a total subsidy not exceeding over 50% of the project cost.

### INCENTIVES FOR REMOTE AREAS

A large part of Uttaranchal comprises of remote & hilly areas. There is deficiency of infrastructure and other constraints relating to market access etc. in such areas. The State Government will take the following measures to promote appropriate industrialization in these areas:

All areas located at altitudes higher than 3000 ft above mean sea level shall be deemed as remote areas for the purpose of State Interest incentive.

Under the State Interest Incentive Scheme, units located in such remote areas will be given an enhanced interest incentive which shall be @ 5% with a maximum of Rs. 3 lakhs/annum. This shall be admissible to only if the unit remains in operation for a minimum of 3 years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of subsidy availed.

The State Government will give special attention for developing infrastructure and common facilities in these areas.



