

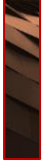
BUSINESS LAW CHAMBER



DESTINATION INDIA

eGuide on Incentives by Government of India

VOL. 1



About Us

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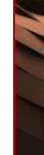


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CHAPTER I – INDIA’S LEGAL SYSTEM

The Constitution of India provides for a quasi-federal system. The constitution possesses both federal and unitary features. Similar to a federal setup, there is a two-tier government, i.e. the Union (Centre) and the States, with well-assigned powers and functions of all the parts. The Union and the State Governments derive their authority from the Constitution. The States acquire secondary position when compared with the Centre such that the structure is more centralised. The federation is biased in favour of the Centre; however, it does not reduce the value of the States. The relations between the Centre and the States have been mentioned in **Parts XI and XII of the Constitution** under the heads, legislative, administrative and financial relations.

Legislative Relations

In legislative relations, there is a three tier divisions of power in the Constitution. We follow a system in where there are two subject lists describing legislative powers, known as the **Union List** and the **State List** respectively. There is an additional list called the **Concurrent List**. The Union List which consists of 100 subjects of national interest and its the largest of the three lists. Some important subjects included in this list are: Defence, Railways, Post and Telegraph, Income Tax, Custom Duties, etc. The Parliament has exclusive power to make laws on subjects listed in the Union List for the whole country.

The State List consists of 61 subjects like Trade and Commerce within the State, Police, Fisheries, Forests, Local Governments, Theatres, Industries, etc. The State Legislatures have power to make laws on the subjects included in the State List.

The Concurrent List consists of 52 subjects like Stamp Duties, Drugs and Poison, Electricity, Newspapers, criminal law, labour welfare, etc. Both the Parliament and the State Legislatures can make laws on subjects included in this list. But in case of a conflict between the Union and the State law regarding a subject, the Union law prevails over the State law. Parliament has the power to legislate over all subjects not included in any of the three lists. And, under certain circumstances, the Parliament can legislate on the subjects mentioned in the State List also.

Administrative Relations

The executive power of the State is to be exercised in compliance with laws made by the Parliament. Further, the Union Executive is empowered to give directions to a State, when necessary, like- construction and maintenance of means of communications, declared to be of

national and military importance, and also on the measures for the protection of Railways. The parliament can adjudicate on inter-state river disputes. Furthermore, a provision has been made for an Inter- State Council to advise the President on inter-state disputes. The State governments can delegate few of its administrative functions in the State subjects, to the Union Government for a period of time.

The Constitution of India has provisions to ensure uniformity of the administrative system. It includes the creation of All India Services such as IAS and IPS and allocate them to key administrative positions in the states. The presence of All India Service Officers paves way for the Central Government to exercise its authority and control over the states through them, as the Union has authority over the members of All-India Services. The members of these services are recruited by the Centre but appointed in the States. No disciplinary action can be taken against them by the State Governments without the permission of the Centre. The Constitution has provision for creation of new All India Service by the Parliament on recommendation of the Rajya Sabha. The Union Government has powers to direct and interfere with the state autonomy in the field of administration.

Financial Relations

Both the Union and the States have independent sources of revenue as provided by the Constitution. The Parliament can levy taxes on subjects included in the Union List. Similarly, the States can levy taxes on subjects enlisted in the State List. Generally, taxes that have an inter-state base are levied by the Centre and those with a local base are levied by the State.

The Union List has items of taxation which fall under the following categories:

- (i) Taxes levied by the Union but collected and appropriated by the State – stamp duties and duties of excise on medicinal and toilet preparations etc.
- (ii) Taxes levied and collected by the Union but assigned to the States – railways, sea or air etc.
- (iii) Taxes levied and collected by the Centre and may be distributed between the Centre and the States by Parliament law, such as union excise duties, excise on toilet preparations etc.
- (iv) Taxes levied and collected and retained by the Centre – customs, surcharge on income tax etc.
- (v) Taxes levied and collected by the Centre and distributed between the union and the states taxes other than agriculture etc.

Additionally, Centre can exercise control over the state finances and grants-in-aid (general and special) to meet their expenditure. During financial emergency, provisions regarding division of taxes between the Centre and the State can be suspended, restrictions on the expenses of the State can be put in place. States have to carry out the Centrally-sponsored schemes. The Planning Commission has an over-centralized planning system where the States cannot take initiative in the centrally formulated schemes that have been imposed upon them.

CHAPTER II – INVESTING IN INDIA

1. FEMA & FDI

The Foreign Exchange Management Act, 1999 (FEMA) is an Act of the Parliament of India "to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India". This act makes offences related to foreign exchange civil offenses. FEMA was enacted by the Parliament of India in the winter session of 1999. It extends to the whole of India, replacing Foreign Exchange Regulation Act, 1973 (FERA), which had become incompatible with the pro-liberalization policies of the Government of India. It enabled a new foreign exchange management regime consistent with the emerging framework of the World Trade Organization (WTO). The Foreign Exchange Management Act (FEMA) is an official Act that consolidated and amended laws governing foreign exchange in India. The primary objective of FEMA act is "facilitating external trade and payments and promoting the orderly development and maintenance of foreign exchange market in India".

Key Features

- (i) Activities such as payments made to any person outside India or receipts from them, along with the deals in foreign exchange and foreign security is restricted. It is FEMA that gives the central government the power to impose the restrictions.
- (ii) Free transactions on current account subject to a reasonable restriction that may be imposed.
- (iii) Without general or specific permission of FEMA, the transactions involving foreign exchange or foreign security and payments from outside the country to India is restricted – the transactions should be made only through an authorised person.
- (iv) Deals in foreign exchange under the current account by an authorised person can be restricted by the Central Government, based on public interest generally.
- (v) Although selling or drawing of foreign exchange is done through an authorized person, the RBI is empowered by this Act to subject the capital account transactions to a number of restrictions.
- (vi) Residents of India is permitted to carry out transactions in foreign exchange, foreign security or to own or hold immovable property abroad only if the currency, security or property was owned or acquired when he/she was living outside India, or when it was inherited by him/her from someone living outside India.

The investment climate in India has improved considerably since the opening up of the economy in 1991. This is largely attributed to ease in FDI norms across sectors and introduction of FEMA. Depending upon the sector, foreign entities can invest in India either through automatic route or through government route. Foreign entities do not require any government approval for investing in sectors under automatic route. For sectors falling under the government route, foreign entities must

acquire prior government consent and authorisation. Further, there are specific sectors in which foreign entities cannot invest either through automatic route or government route. Such restricted sectors are:

- (i) Lottery business,
- (ii) Gambling and betting,
- (iii) Atomic energy,
- (iv) Railway operations,
- (v) Chit funds,
- (vi) Nidhi company,
- (vii) Trading in transferable development rights,
- (viii) Real estate business,
- (ix) Manufacturing of cigars, cheroots, cigarillos and cigarettes, or tobacco or of tobacco substitutes, and
- (x) Sectors other than permitted sectors under the FDI policy.

Further, there are certain permitted sectors which fall under the combination of automatic route and government approval route. Following is a list of permitted sectors with respective percentage of investment allowed.

S. No.	Sector	Automatic Route	Government Route
1.	Agriculture & animal husbandry	100%	-
2.	Air transport services (non-schedules and other services under civil aviation sector)	100%	
3.	Air transport services (scheduled air transport services, regional air transport services)	Up to 49%	Above 49%
4.	Airports	100%	-
5.	Asset reconstruction companies	100%	-
6.	Auto-components	100%	-
7.	Automobiles	100%	-
8.	Banking – Private Sector	Up to 49%	Above 49%
9.	Banking – Public Sector	-	20%
10.	Biotechnology (brownfield)	Up to 74%	Above 74%
11.	Biotechnology (Greenfield)	100%	-
12.	Broadcast content services	100%	-
13.	Broadcasting carriage services	100%	-
14.	Broadcasting content services	-	49%

15.	Capital goods	100%	-
16.	Cash & carry wholesale Trading/wholesale trading	100%	-
17.	Chemicals	100%	-
18.	Coal & Lignite	100%	-
19.	Construction development: townships, housing, built-up infrastructure	100%	-
20.	Construction of hospitals	100%	-
21.	Core investment company	-	100%
22.	Credit information companies	100%	-
23.	Defence	Up to 49%	Above 49%
24.	Digital media	-	Up to 26%
25.	Duty free shops	100%	-
26.	E-commerce activities	100%	-
27.	Electronic systems	100%	-
28.	Food processing	100%	-
29.	Food products retail trading	-	100%
30.	Gems & jewellery (manufacturing)	100%	-
31.	Healthcare (brownfield)	Up to 74%	Above 74%
32.	Healthcare (greenfield)	100%	-
33.	Industrial parks	100%	-
34.	Infrastructure company in the securities market	Up to 49%	-
35.	Insurance	Up to 49%	-
36.	IT and BPM	100%	-
37.	Leather	100%	-
38.	Manufacturing	100%	-
39.	Medical devices	100%	-
40.	Mining and exploration of metal and metal ores	100%	
41.	Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities	-	100%
42.	Multi brand retail trading	-	51%
43.	Other financial services	100%	-

44.	Other services under civil aviation sector (maintenance and repair organisations, flying training institutes, and technical training institutions)	100%	-
45.	Pension	49%	-
46.	Petroleum & natural gas	100%	-
47.	Petroleum refining (by PSUs)	49%	-
48.	Pharmaceuticals (brownfield)	Up to 74%	Above 74%
49.	Pharmaceuticals (greenfield)	100%	-
50.	Plantation sector	100%	-
51.	Ports and shipping	100%	-
52.	Power exchanges	49%	-
53.	Print media (publication, printing of scientific and technical magazines, speciality journals, periodicals and facsimile edition of foreign newspapers)	-	100%
54.	Print media (publishing of newspaper, periodicals and Indian editions of foreign magazines dealing with news and current affairs)	-	26%
55.	Private security agencies	Up to 49%	Above 49%
56.	Railway infrastructure	100%	-
57.	Renewable energy	100%	-
58.	Roads & highways	100%	-
59.	Satellites – establishment and operation	-	100%
60.	Single brand product retail trading	100%	-
61.	Telecom services	Up to 49%	Above 49%
62.	Textiles & garments	100%	-
63.	Thermal power	100%	-
64.	Tourism & hospitality	100%	-
65.	White label ATM operation	100%	-

Other than FDI, a foreign entity investing in India can also invest through other methods. Below is a table elucidating/explaining such methods.

Features	FDI	FPI	FVCI	AIF	ECB
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Avenues & approvals	<ul style="list-style-type: none"> • Subject to sector limits, other sectoral conditions • Automatic or Approval route 	<ul style="list-style-type: none"> • Portfolio/debt platforms • KYC based regn (~3 wks) • VRR 	<ul style="list-style-type: none"> • 10 specified sectors • SEBI regn (~12wks) 	<ul style="list-style-type: none"> • Liberal for IOCC • SEBI reg. for 3rd party fund (Cat. I, II, III) 	<ul style="list-style-type: none"> • ECB Master Directions • Typically, Automatic Route
Instrument permitted	<ul style="list-style-type: none"> • Equity, compulsory convertibles, LLP capital 	<ul style="list-style-type: none"> • Listed Debt and/or Equity ≤10% limit • Unlisted Debt 	<ul style="list-style-type: none"> • FDI plus NC/OC Deb/Pref. shares 	<ul style="list-style-type: none"> • Per category approved 	<ul style="list-style-type: none"> • FC/INR borrowing/bond • NC/PC/OC deb/shares
Pricing norms	<ul style="list-style-type: none"> • Floor and Cap earmarked to Fair Value 	<ul style="list-style-type: none"> • No restrictions • Up to corp. debt limit 	<ul style="list-style-type: none"> • No restrictions 	<ul style="list-style-type: none"> • No restrictions 	<ul style="list-style-type: none"> • 450 bps plus benchmark rate (excludes WHT) • US \$750Mn/FY
Exit norms	<ul style="list-style-type: none"> • Freely transferable • 1-yr IPO lock-in 	<ul style="list-style-type: none"> • Debt-residual maturity ≥1 yr 	<ul style="list-style-type: none"> • No restrictions • No IPO lock-in 	<ul style="list-style-type: none"> • No restrictions • No IPO lock-in 	<ul style="list-style-type: none"> • Maturity ≥ 3 yrs • ≥ 5 yrs for equity holder
Return framework	<ul style="list-style-type: none"> • Assured returns not allowed 	<ul style="list-style-type: none"> • No restrictions • 5% WHT interest cap 	<ul style="list-style-type: none"> • Flexibility of assured return and downside residency 	<ul style="list-style-type: none"> • None. Simpler tax given domestic residency 	<ul style="list-style-type: none"> • WHT on interest capped at 5%≥

Further, an entity willing to operate in India can do so through one or more of the following entity forms:

(i) Liaison Office (Representative, explanatory; prior RBI approval)

Setting up a liaison or representative office (“LO”) is a common practice for foreign companies seeking to enter the Indian market. The role of such offices is limited to collecting information about the possible market and to providing information about the company and its products to prospective Indian customers. It cannot undertake any commercial activities and must only use remittances received from its parent foreign company to maintain itself.

(ii) Project Office (Limited duration presence; post-facto RBI filing)

The project office is the ideal method for companies to establish a business presence in India, if the object is to have a presence for a limited period of time. It is essentially a branch office set

up with the limited purpose for executing a specific project. Foreign companies engaged in turnkey construction or installation normally set up a project office for their operations in India.

(iii) Branch Office (Trading activity; prior RBI approval)

As a Branch Office (“BO”) in India, foreign companies can conduct full-fledged business in India. BO can carry the same or substantially the same trading activities as carried out by their parent or group companies. However, BO is not allowed to directly carry out manufacturing activities though it is permitted to sub-contract these services to an Indian manufacturer.

(iv) Incorporate Entity (Approved activity (LLP); Post-facto RBI filing; pricing norms)

Incorporating an entity such as a company, LLP or partnership under the laws of India gives full access to Indian markets and resources. Such entities are not bound by the limitations of project office, liaison office and branch office.

2. Double Taxation Avoidance Agreement (DTAA)

A Double Taxation Avoidance Agreement (DTAA) is a tax treaty between two or more nations for avoidance of payment of tax by tax payers in the signee countries. The DTAA is entered into to make a country attractive for investment purpose by providing relief on dual taxation. The relief is provided by exempting income earned overseas from tax in the resident country or by providing credit to the extent wherein taxes have already been paid abroad. In some of the cases, DTAA are known to provide concession on tax rates.

At present India has DTAA with more than 80 countries around the world and its agreements are guided by the UN model of DTAA. Generally, income is taxable if it originates in the country, or if it is earned outside but remitted to the country. Thus, if an entity is operating in, say, India and if its office is in, say, Singapore, then, the income originating is liable to be taxed in India and thereafter in Singapore upon its remittance to the country. DTAA are entered into to avoid such instances of double taxation and thereby promoting trade and commerce.

DTAA does not mean that the entity can completely avoid taxes, however, it does mean that the entity can avoid paying higher taxes in both countries. It also reduces instances of tax evasion.

Out of the nations with whom India has signed the treaty, the TDS rate of major nations is as follows (updated till June, 2019):

Country	TDS rate
United States of America	15%
United Kingdom	15%
Canada	15%
Australia	15%
Germany	10%
South Africa	10%
New Zealand	10%
Singapore	15%
Mauritius	7.5% - 10%
Malaysia	10%
UAE	12.5%
Qatar	10%
Oman	10%
Thailand	25%
Sri Lanka	10%
Russia	10%
Kenya	10%

Further, below is a more elaborate discussion on DTAA with Mauritius, Singapore and South Korea.

Taxability under DTAA	Mauritius	Singapore	South Korea	Netherlands
Interest	7.5%	15%	10%	no withholding tax on interest
Royalty/Technical Fees (Non-Permanent Establishment)	<ul style="list-style-type: none"> Royalty 15% Technical fees 10% 	10%	10%	no withholding tax on royalty and technical fees
Capital Gains on transfer of:				

1. Equity acquired post 1 st April 2017	• Domestic rate	• Domestic rate	• Domestic rate	• Domestic rate
2. Instruments other than Equity	• Exempt	• Exempt	• Domestic Rate (if the transferor, at any time during the 12 month period preceding such transfer, held directly or indirectly at least 5 % of the capital of that company)	• Domestic rate
3. Any assets (Indirect Transfer)	• Exempt	• Exempt	• Exempt (exemption not available if company whose shares are transferred owns property which consists directly or indirectly principally of immovable property situated in India.	• Domestic rate

DTAA with India usually provides benefits to various entities on the following income types:

- (i) Income from immovable property.
- (ii) Business Profits.
- (iii) Operations of ships and aircraft in international traffic.
- (iv) Dividends.
- (v) Interest.
- (vi) Royalties.
- (vii) Fees from technical services.
- (viii) Capital gains.
- (ix) Income from independent and dependent personal services.
- (x) Director's fees.

- (xi) Income derived by public entertainers.

However, countries with lower tax rates attract tax evasion by various entities. To explain, the DTAA between India and Mauritius states that capital gains (which includes gains from sale of shares) shall be taxed in the country in which such property is situated. Further, there exist no tax on capital gains in Mauritius. This has attracted various entities to invest and profit in Mauritius and thereby, evading tax. To counter this, India has started including clauses such as “Limitation of Benefits” wherein if an entity is created just to get benefits out of a DTAA treaty, then, such benefits will not be applicable to that entity.

3. Indirect Taxation

In India the only prevailing indirect taxes are GST (Goods and Services Tax) and Custom duties. Goods and services are divided into five different tax slabs for collection of tax - 0%, 5%, 12%, 18% and 28%. However, petroleum products, alcohol for human consumption, and electricity are not taxed under GST and instead are taxed separately by the individual state governments, as per the previous tax regime. GST has replaced many Indirect Taxes in India like VAT, Sales tax, excise duty etc. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017; GST Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST is divided in three parts namely – CGST (Central Goods and Services Tax), SGST (State Goods and Services Tax), IGST (Integrated Goods and Services Tax) which is the tax levied on interstate sale and purchase. However, VAT is still applicable and applied on alcohol products. Such alcohol products are kept outside the purview of GST.

Below is a tabular representation of various indirect taxes and corresponding rates presently operating in India.

Indirect Taxes		Minimum Rate	Peak Rate
Central Govt.	Basic customs duty	0%	10%
	Integrated Goods and Services Tax (GST)	0%	28%
	Central Goods and Services (CGST)	0%	14%
State Govt.	State Goods and Services tax (SGST) collected by respective state government	0%	14%
Goods out of GST	Manufacture/sale of potable alcohol; crude, petrol, ATF, natural gas, tobacco	Governed as per erstwhile Indirect Taxes – Central Excise (state excise for potable alcohol), Sales Tax/VAT	

CHAPTER III – GOVERNMENT INCENTIVES

The policy sanctum in India is divided into States and Centre. Where Centre promotes policies, industries and businesses which are beneficial for the country, States more focus on growth in their respective State. If the law permits, States also formulate growth policies for which Centre policy may already exist. To explain, the Centre has formulated incentive schemes for Micro, Small and Medium Enterprises (“**MSME**”) to promote MSME growth in India, such as (i) Financial Support to MSMEs in ZED Certification Scheme, and (ii) Micro and Small Enterprise Cluster Development Programme. Further, certain States have also formulated schemes to promote MSME growth in their respective States, such as (i) Gujarat’s Scheme for MSME for assistance in capital investment, patent registration, technology acquisition, etc., (ii) Tamil Nadu’s Special Capital Subsidy Scheme, Subsidy on Assessed Value Added Tax Scheme, and Low Tension Power Tariff Subsidy Scheme for MSME, (iii) Punjab’s Industrial and Business Development Policy, and (iv) Maharashtra’s upcoming Chief Minister’s Employment Generation Programme for MSME. Therefore, while a certain eligible MSME can get incentives from Centre, it may also get incentives from the respective State, if eligible.

Similarly, Centre and various States have introduced various policies and schemes to promote startups. Startup India is one such scheme by Centre which includes tax benefits and other incentives. On the other hand, State schemes include: (i) Maharashtra’s Startup Policy, (ii) Gujarat’s Scheme for Assistance to Startup/Innovation, (iii) Punjab’s Industrial and Business Development Policy, (iv) Karnataka’s Startup policy, and (v) Andhra Pradesh’s Innovation and Startup Policy.

Often authorities also formulate incentives which are general in their application, such as ‘tax holiday’. This scheme grants five-year tax holiday for new industrial undertakings located in all of the North Eastern States, Jammu and Kashmir, Himachal Pradesh, Sikkim, Goa and U.T. of Andaman and Nicobar Islands, Dadar and Nagar Haveli, Daman and Diu, Lakshadweep and Pondicherry. Another such scheme is ‘Rebate of State and Central Taxes and Levies’. This scheme was available on exports of garments but now has been extended to all exports in a phased manner. The scheme allows reimbursement of duties on export inputs and indirect taxes through freely transferable scrips.

Below is a brief discussion on incentives under various industrial developmental policies of Centre and various States.

Centre

1. Financial assistance to the extent of 30% of the cost of the plant and machinery for MSMEs and 20% for non-MSME units subject to a ceiling of INR 5 million for technology upgradation, modernisation or expansion, and setting up a new unit for existing tanneries, footwear components and leather products units.

2. Subsidy to apparel, garment and technical textiles: 15% on capital investment subject to a ceiling of INR 300 million for a period of 5 years. Remaining sub-sectors under textiles industry would be eligible for subsidy at a rate of 10% subject to a ceiling of INR 200 million for a period of 5 years.
3. Assistance for technology upgradation, establishment or modernisation of food processing industries: 25% of the plant & machinery and technical civil work subject to a maximum of INR 5 million in general areas and 33.33% up to INR 7.5 million in difficult areas (J&K, HP, Uttarakhand, Sikkim, North Eastern States, Andaman & Nicobar Islands, Lakshadweep).
4. ISO 9000 and ISO 14001 certification reimbursement: reimbursement of charges for acquiring ISO-9000/ISO- 14001/HACCP certification to the extent of 75% of expenditure subject to a maximum of INR 75,000 in each case by MSMEs.
5. Interest subsidy for khadi: credit at a concessional rate of interest of 4% per annum for working capital, is made available as per the requirement of the institutions. The difference between the actual lending rate and 4% is paid by the Central Government to the lending banks.
6. Financial assistance for water mills and micro hydel projects: financial assistance of INR 50,000 and INR 1,50,000 per water mill for mechanical output and electrical output (whether including mechanical output), respectively. Further, financial assistance of INR 1,25,000 per kW for micro hydel projects.
7. Development of solar parks and projects: INR 2.5 million per solar park would be released to the implementation authority (SECI) for various purposes. Further, INR 2 million per MW or 30% of the project cost, whichever is less, would be released for achieving the following millstones.

The approval grant to the SPPDs will be released as per the following millstones:

S. No.	Milestone	% of subsidy disbursed
1.	Land acquisition	20
2.	Financial closure	20
3.	Award of work for pooling stations	20
4.	Receipt of material on site for pooling stations	25
5.	Completion of construction stations and land development	15
Total		100

The approval grant to CTU or STU will be released as per the following millstones:

S. No.	Millstones	% of subsidy disbursed
1.	On award of work	50
2.	On successful commissioning	50
Total		100

8. The Centre government has allocated funds under “Faster Adoption of Manufacturing Electric Vehicles Phase 2” (FAME 2). Where the phase 1 only focused on creating demand for such vehicles, phase 2 further focuses on creating a ‘charging infrastructure’. The Centre has allocated fund of INR 85.96 billion and INR 10 billion for demand creation and charging infrastructure, respectively, over a period of 3 years from 2019-2020.
9. National Investment & Manufacturing Zones:
 - Job-loss policy will enable units to pay suitable worker compensation in the eventuality of business losses/closures through insurance and thereby eliminate the charge on the assets.
 - The transfer of assets belonging to a firm which has been declared sick will be facilitated by the SPV of the concerned NIMZ.
 - Exemption from capital gains tax.
 - Skill upgradation programmes for new employees as well as for the existing employees in coordination with NSDC.
 - Soft loans from multilateral institutions will be explored for funding infrastructure development.
 - The developers of NIMZs will be allowed to raise ECBs for developing the internal infrastructure.
 - Exemption from water cess.
 - Ten per cent one-time capital subsidy for units practicing zero water discharge.
10. Incentives under modified industrial infrastructure upgradation scheme:
 - Centre will contribute up to 50% of the project cost subject to a ceiling of INR 0.5 billion. For North Eastern States, the Centre will contribute 80% of the project cost.
 - Projects with minimum beneficiary industry contribution of 10% shall be given priority.
 - Central grant for physical infrastructure will be up to 25% of the total central grant subject to a ceiling of INR 125 million.
11. Special Economic Zones:
 - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
 - 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years. (Sunset Clause for Units will become effective from 01.04.2020).
 - Exemption from Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act. (withdrawn w.e.f. 1.4.2012)
 - Exemption from Central Sales Tax, Exemption from Service Tax and Exemption from State sales tax. These have now subsumed into GST and supplies to SEZs are zero rated under IGST Act, 2017.
 - Other levies as imposed by the respective State Governments.

- Single window clearance for Central and State level approvals. Exemption from customs/excise duties for development of SEZs for authorized operations approved by the BOA.
 - Income Tax exemption on income derived from the business of development of the SEZ in a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act. (Sunset Clause for Developers has become effective from 01.04.2017)
 - Exemption from Minimum Alternate Tax (MAT) under Section 115 JB of the Income Tax Act. (withdrawn w.e.f. 1.4.2012)
 - Exemption from Dividend Distribution Tax (DDT) under Section 115O of the Income Tax Act. (withdrawn w.e.f. 1.6.2011)
 - Exemption from Central Sales Tax (CST).
 - Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).
12. Free Trade and Warehousing Zones:
- Customs duty would be payable only at the time the commodities are sold into the domestic tariff area.
 - Duty free import of all goods for warehousing.
 - Simplified custom clearance procedures.
 - Provisions of single-product storage facilities.
 - Exemptions of income tax as under section 80IA of the Income Tax Act. Companies providing services from within the zone are exempted from payment of service tax.
 - Capital goods sourced from the domestic market for utilisation within the zones are exempted from excise duty.
13. Support for public private partnership in infrastructure development through viability gap funding:
- The total viability gap funding will not exceed 20% of the total project cost.
 - The viability gap funding up to INR 1 billion for each project may be sanctioned by the empowered institution subject to the budgetary ceilings.
 - Empowered committee may sanction proposals up to INR 2 billion and for proposals above INR 2 billion, approval of finance minister is required.
14. National Policy on Electronics:
- Modified Special Incentive Package Scheme (MSIPs) subsidy of 25% of capital expenditure (20% in SEZs) is available and all excise/CVD paid on capital equipment is reimbursed.
 - Electronic Manufacturing Clusters Scheme will provide 50% of the cost for development of infrastructure and common facilities in Greenfield clusters (undeveloped or underdeveloped area from electronic manufacturing point of view) and 75% of the cost for Brownfield clusters (area where a significant number of existing EMC exists).
 - Export of domestically manufactured set top boxes and other electronic products are eligible for 2-5 % incentive in Focus Product Scheme under the Foreign Trade Policy.

- Reimbursement of expenses relating to compliance of electronic goods with “Indian Standards” notified by DeitY. The total Grant in Aid (GIA) for one model is limited to INR 0.1 million, only for 200 models (maximum).
 - Reimbursement of expenses for testing and certification required for export. The total GIA under the Scheme for one model is INR 0.1.25 million, 800 models (maximum).
 - Development of Electronic Manufacturing Clusters by MSMEs for diagnostic study, soft intervention and for preparing Detailed Project Reports, etc. The Total GIA available under this Section of the Scheme for Development of Clusters of INR 1 million /Cluster (max) would be available for setting up of 20 Clusters.
15. Credit linked capital subsidy for technology upgradation: 15%, subject to a ceiling of INR 1.5 million, up front to MSEs. The admissible capital subsidy is calculated with reference to purchase price of Plant & Machinery. Maximum limit of eligible loan for calculation of subsidy is INR 10 million.
 16. Credit Guarantee Trust Fund for Micro & Small Enterprises (CGT SME): Collateral free loan up to a limit of INR 10 million are available for individual MSE on payment of guarantee fee to bank by the MSE.
 17. Lean Manufacturing Competitiveness Scheme for MSMEs: 80% Assistance for implementation of Lean Manufacturing techniques primarily cost of Lean Manufacturing Consultant by Centre and 20% by beneficiaries.)
 18. A GIA to MSMEs to the extent of 25% of the project cost for implementation of energy efficient technologies subject to a maximum of INR 1 million is provided for technology and quality upgradation.
 19. ZED Certification Scheme: The ZED Certification scheme is an extensive drive to create proper awareness in MSMEs about ZED manufacturing and motivate them for assessment of their enterprise for ZED and support them.
 - The subsidy provided by the Centre for MSMEs will be 80%, 60% and 50% respectively.
 - An additional subsidy of 5% for MSMEs owned SC/ST/women and MSMEs located in NER and J&K for assessment & rating/re-rating/gap analysis/hand holding.
 - Assessment/Rating by empanelled Credit Rating Agencies/other Agencies will be valid for 4 years. Ministry of MSME will subsidize* 80% of Micro, 60% of Small, 50% of Medium Enterprises' Certification Fee: average 70% of Fee.
 - Additional rating for Defence angle i.e. Defence ZED by empanelled Credit Rating Agencies/other Agencies will be valid for 4 years. Ministry of MSME will subsidize 80% of Micro, 60% of Small, 50% of Medium Enterprises' Certification Fee: average 70% of Fee.

- For Gap Analysis, Handholding, Consultancy for improving rating of MSMEs by Consultants through QCI/NPC, Field formations of O/o DC-MSME viz. MSME-DI, MSME-TC including its autonomous bodies, BEE etc. Ministry of MSME will subsidize* 80% of Micro, 60% of Small, 50% of Medium Enterprises' Consultancy charges: average 70% of Fee.
 - For Re-Assessment/Re-Rating by Credit Rating Agencies & Other Agencies Ministry of MSME will subsidize* 80% of Micro, 60% of Small, 50% of Medium Enterprises' Certification Fee: average 70% of Fee.
- 20 Financial assistance is provided for setting up of business incubators to support the entrepreneurial and managerial development of SMEs. The cost may vary between INR 0.4-0.8 million for each incubatee, subject to an overall ceiling of 6.25 million for each Business ideas.

Andhra Pradesh

1. Incentives shall be limited to a 75% of the capex of that particular component. This cap is calculated while clubbing the incentives under Central and State policies.
2. Filling of online application form within 6 months of Date of commencement of Production (DCP). If the application is made beyond 6 months and up to 12 months, the applicant will be eligible for only 50% of incentives, and beyond one year of DCP no incentives to be granted.
3. The Single Desk Policy provides all clearances required to setup industry within 21 working days. To start an industry, a subset of 24 different clearances may be required. Of these 24, 13 clearances are necessary in the Pre-establishment stage and 11 clearances are necessary in the Pre-operation stage.
4. The Government will extend tailor-made benefits to eligible mega projects to suit particular investment requirements on case to case basis.
5. Fixed Capital Investment subsidy ranges from 15% - 50% depending on the eligible category:
 - For general MSEs: 15% up to a limit of INR 2 million.
 - For special MSEs: 35% up to INR 7.5 million for BC/SSC/ST, 45% up to INR 7.5 million for women BC/SC/ST, 40% up to INR 7.5 million for ST enterprises in notified areas, and 50% up to INR 7.5 million for ST enterprises by women in notified areas.
 - For women: 25% up to a limit of INR 3 million.
 - For textile industries: @ 20% with a maximum of (i) INR 20 million for project cost up to INR 100 million, (ii) INR 30 million for project costs between INR 100 million to INR 250 million, (iii) INR 40 million for project costs between INR 250 million to 500 million, and (iv) INR 60 million for project costs up to INR 500 million to INR 1.25 billion.
 - For mega textile projects: 10% up to INR 100 million.

- For Auto Clusters and Automotive Suppliers Manufacturing Centres (for buildings and common infrastructure): 50% up to INR 200 million.
 - For Aero space and defence anchor units: up to INR100 million.
 - For R&D investments above INR 100 million on equipment: 10% up to INR 100 million.
 - For Testing centre in defence parks: 50% up to INR 250 million.
 - For Technology innovation centre in defence parks: 50% up to INR 300 million.
 - For common facility centre in defence parks: 50% up to INR 500 million.
 - For service activities on equipment & Machinery: (i) general category-15% up to INR 2 million, and (ii) general category- women: 25% up to INR 3 million.
6. Reimbursement of stamp duty, transfer duty, mortgage and hypothecation duty: 100% reimbursement in case of (i) purchase of new land/shed/building meant for industrial use or expansion/divarication projects, and (ii) lease, mortgage and hypothecation deeds of new land/shed/buildings or expansion/divarication.
 7. Reimbursement of land cost in Industrial Estates/Industrial Development Authority/Industrial Parks (IE/IDA/IPs): 25% up to INR 1 million for general category, and 50% up to INR 2 million for BC/SC/ST, provided that the land is directly purchased from Andhra Pradesh Industrial Information Corporation (APIIC) only.
 8. Reimbursement of land conversion charges paid by MSMEs, @ 25% in case of conversion from agriculture to industrial use up to a maximum of INR 1 million. Provided that the application for reimbursement is filed within 6 months of DCP.
 9. Reimbursement of tax:
 - For general MSEs: 100% for 5 years.
 - For medium enterprises: 75% for 7 years limited to 100% of capex.
 - For textile industries: reimbursement of Net SGST @ 100% for 5 years up to 100% of machinery value.
 - For Mega Integrated Automobile Projects: reimbursement of CGST @100% up to 10 years and reimbursement of Gross SGST on Raw materials or input credit @ 100% up to 20 years.
 - For ancillary units of Mega Integrated Automobile Projects: 75% for 7 years up to 100% of Maintenance/Repairs/Overhaul (MRO) of Air crafts, and SGST on input materials @ 100% for a period of 5 years.¹
 - For large industry: 50% for 7 years limited to 100% of capex.

¹In case of Expansion/Diversification projects reimbursement on VAT/CST or State Goods and Services Tax (SGST) paid on production made over and above the base annual production capacity of the original Enterprise/Industry i.e. before expansion/ diversification. The base annual production is either the average annual production of previous three financial years or 75% of installed capacity of the original Industrial Enterprise, whichever is higher in case of manufacturing single product. In case of multi products, the average annual sales turnover of previous three financial years will be taken as base turnover. In case of Textile Input Tax on raw material/intermediate product will be reimbursed where input tax paid is more than output tax (the differential amount)

10. Power consumption subsidy at the rate of INR 1 per unit in case of General Industries, Automobile & Auto components Industries, Defence & Aerospace Industries and Textile units (Modern Ginning & Spinning) INR 1.5 per unit in case of: Industries Promoted by BC/SC/ST Entrepreneurs, Other Textile enterprises (Weaving, Processing, Garmenting, composite units, Technical Textiles etc.) and Biotechnology Industries.²
11. Reimbursement of Interest Subsidy³: (i) 9% for 5 years for general industries⁴, (ii) 3% up to INR 0.3 million for 0.5 years for MSME Biotechnology industries, (iii) 8% for 7 years for textile industries⁵, and (iv) 7.5% for 7 years in case of spinning and modern ginning. Interest subsidy on the term loan taken on the fixed capital investment in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of commencement of commercial production for SC/ST/BC entrepreneurs. This benefit is also applicable to the Service Sector units set-up under this policy.
12. Seed capital assistance to first generation entrepreneurs to set-up Micro Enterprises @10% of the Plant & Machinery cost for General Category, 15% for Women and 25% for BC/SC/STs will be paid and the same will be deducted from the eligible Investment Subsidy. Claim to be submitted within six months from the date of sanction of term loan by the financial institution.
13. Reimbursement of expenses incurred for quality certification and/or patent registration:
 - For general MSMEs: 75% limited to INR 0.5 million for quality certification/patent registration, and 50% limited to INR 25,000 for trademark registration.
 - For MSEs set up by BC Entrepreneurs: 50% limited to INR 0.3 million.
 - MSEs set up by SC/ST Entrepreneurs: 100% limited to INR 0.3 million
 - For automobile & auto components MSMEs: 75% limited to INR 2.5 million for patent registration, and 50% limited to INR 0.5 million for quality certification.

²All eligible industries will be reimbursed power cost for a period of 5 years from the DCP which are utilizing power from DISCOMs and Rural Electrical Companies (RECs). The tariff prevailing on 01.04.2015 will be taken as base rate and in case of any decrease in power tariff, the reimbursement will be reduced proportionately. Residential & colony power consumption is not eligible for reimbursement. In case of expansion/ diversification projects over and above base power consumed will be reimbursed in every 6 months. The base annual consumption will be either average annual power consumption of previous three financial years or power consumption for 75% of connected power load of the original Industrial Enterprise, whichever is higher. In case Industry/Enterprise purchases second hand land and building along with power either on lease or outright sale, not be entitled for any power cost reimbursement if the power connection is in the original Industry/Enterprise name.

³All eligible industries will be reimbursed power cost for a period of 5 years from the DCP which are utilizing power from DISCOMs and Rural Electrical Companies (RECs). The tariff prevailing on 01.04.2015 will be taken as base rate and in case of any decrease in power tariff, the reimbursement will be reduced proportionately. Residential & colony power consumption is not eligible for reimbursement. In case of expansion/ diversification projects over and above base power consumed will be reimbursed in every 6 months. The base annual consumption will be either average annual power consumption of previous three financial years or power consumption for 75% of connected power load of the original Industrial Enterprise, whichever is higher. In case Industry/Enterprise purchases second hand land and building along with power either on lease or outright sale, not be entitled for any power cost reimbursement if the power connection is in the original Industry/Enterprise name.

⁴ Minimum 3% interest per annum should be borne by the Enterprise. Over and above 3% interest per annum, reimbursement will be done to the extent of maximum 9%.

⁵This facility will be applicable to the units already covered under TUF scheme of GoI and on the investment in new & modern Plant & Machinery (covered under TUF). the facility will be available for a period of seven (7) years which includes 2 years' moratorium period from the DCP or till the closure of the term loan whichever is earlier. Subsidy shall be capped at 12.5 % per annum.

- For Biotechnology Industries: 75% limited to INR 2.5 million for Patent Registration.
 - For Aerospace & Defense MSMEs: 50% limited to INR 0.5 million for quality certification, and 75% limited to INR 2.5 million for patent registration.
14. Incentives for cleaner environment: In case of MSMEs, 35% subsidy on cost of plant & machinery for specific cleaner production measures limited to INR 3.5 million and for Large Enterprises 10% subsidy on cost of plant & machinery on specific cleaner production measures limited to INR 3.5 million. Further, 25% subsidy of total Fixed Capital Investment of the project (excluding cost of land, land development, preliminary and pre-operative expenses and consultancy fees) with a ceiling of INR 500 million. Eligible investment includes:
- Waste water treatment: Constructing effluent treatment plant and sewage treatment plant and using recycled water for industrial purposes especially zero discharge systems.
 - Green Buildings: Buildings which obtain green rating under the Indian Green Building Council (IGBC/LEED Certification) or Green Rating for Integrated Habitat Assessment (GRIHA) systems.
 - Use of renewable source of power for captive consumption (solar, wind and biomass plants etc.)
 - Installing Continuous Emission Monitoring System (CEMS) for red category industries. The information should be disseminated continuously to APPCB.
 - Adopting rain water harvesting; restoring water bodies by de-silting defunct water bodies.
 - Any other environment management project approved by Empowered Committee of Secretaries.
15. Reimbursement of cost involved in skill upgradation and training:
- For Micro Enterprises: 50%, INR 5000/ person up to 10 persons.
 - For SMEs: 50%, INR 5000/ person up to 20 persons.
 - For SC/ST/BC Enterprises: 50%, INR 5000/ person no upper limit for people.
 - For Aerospace and Defence: 50%, INR 10,000/ month for a year up to 50 persons.
 - For trainers in textile Industries: 100% for in autonomous institutions promoted by Government/Public Sector Undertakings and 50% for other institutions, subject to maximum of INR 7500/ week max for 4 weeks.
 - For trainees in power looms: INR 3000/ month max for 3 months.
 - For apparel trainees: 50%, INR 7500 for 15 working days (120 hrs) per course.
 - For women apparel trainees: 60%, INR 8000 for 15 working days (120 hrs) per course.
16. Marketing and promotion incentives: (i) MSMEs in Aerospace & Defence and Automobile & Auto components sectors: Assistance for participation in the international trade fairs/ Market studies: 50% limited to INR 0.5 million for first 10 units per year; and (ii) Assistance for Industrial Associations: for funding market studies, market creation efforts, quality improvement effort and disseminating this information to MSMEs on case to case basis, as decided by the SLC.

17. Reimbursement of transportation charges: Claims need to be filed within six months from the date of actual expenditure/ contract. Labour intensive Apparel units are considered for provision of transport subsidy limited to first two years of operations of units providing direct employment to at least 1000 people in backward districts of Rayalaseema and North Coastal Andhra. The incentive will be subject to a maximum of INR 500 per employee per month or INR 0.3 million per year whichever is less, reimbursed on an annual basis.
18. Special Incentives:
 - **In Textile Sectors:** Financial assistance up to 75% of the project cost subject to a maximum amount of INR 40 million if such proposal is selected by State Investment Promotion Board (SIPB). A maximum of 25% cost of machinery and training equipment will be eligible to be considered under infrastructure including building.
 - **In Biotechnology Sectors:** In case of R&D matching contribution of up to INR 2.5 million will be provided for biotech related projects of public importance where an equal amount has been funded by private/public sector companies. Financial assistance up to INR 2.5 million per project per annum towards covering scientist and technician cost for market-driven product development by scientists from at least three A.P. based research institutions and/or academic institutions. Financial support not exceeding INR 0.5 million for a period of 6 months limited to 10 researchers per annum. The scheme will also be applicable to scientists interested in sabbatical research work under *Yellapragada Subbarao Life Sciences Scholarship*.
 - **For enterprises set up by SC/ST/BC entrepreneurs:** Infrastructure like roads, power and water will be provided at doorstep of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of 10 million, subject to: (a) the location should be beyond 10 Kms from the existing Industrial Estates/IDAs having vacant land/shed for allotment, and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry. 50% of the cost of infrastructure is raised to 75% in respect of units set up by ST entrepreneurs in Scheduled areas.

Gujarat

An industrial undertaking will be eligible for incentive according to the classification of the project (Ultra Mega⁶, Mega⁷, Large⁸, MSME⁹), the category of Taluka, and the eligible fixed capital investment. A graded incentives structure will be decided separately for Large/ Mega projects on basis of Talukas that is:

- Talukas having existing investment less than INR 100 million
- Talukas having existing investment between INR 100 million and INR 10 billion

⁶ Investment having above INR 40 billion to INR 40 billion

⁷ Investment above INR 10 billion

⁸ Investment Above INR 100 million to INR 10 billion

⁹ MSME definition laid out by Government of India as per MSMED Act 2006(as updated from time to time) that is less than INR 100 million.

- Talukas having existing investment of more than INR 10 billion.

Incentives:

1. Any person who intends to start an MSME may furnish to the State level nodal agency, i.e. Investor Facilitation Agency, a declaration of intent to start an enterprise in the manner and form prescribed. Followed by that the entrepreneur will be entitled to get Acknowledgement Certificate immediately online. The enterprise will be exempted from the approvals and clearances for 3 years and after expiry of 3 years, the enterprise shall have to obtain required approvals within 6 months. Approval include any permission, no-objection, clearance consent, approval, registration, license etc. as required under the law.
2. Capital investment subsidy:
 - For investment up to INR 5 million in Plant and Machineries Capital investment Subsidy will be provided @ 15% of term loan with the maximum amount of INR 1.5 million in municipal corporations area and @ 20% of term loan with the maximum amount of INR 2.5 million in other area outside the municipal corporation area.
 - For investment from INR 5 million up to INR 20 million in Plant and Machineries: Capital investment Subsidy will be provided @ 12 % of term loan with the maximum amount of INR 1.5 million in municipal corporations area and 17 % with the maximum amount of INR 2.5 million in other area outside the municipal corporation area.
 - For investment from INR 20 million up to INR 100 million in plant and Machineries: Capital investment Subsidy@ 10 % of loan amount with the maximum amount of INR 1.5 million in municipal corporations area and @ 10% with the maximum amount of INR 2.5 million in other areas outside the municipal corporations, area.

Service sector will not be eligible under this scheme. Enterprise shall have to apply to concerned authority either within one year from the date of first disbursement of loan or on the date of commencement of commercial production whichever is later. Not eligible if loan sanctioned after one year of commencement of commercial production and will be revoked if the enterprise fails to remain in the same production for 5 years.

3. Reimbursement of Tax:

- In Taluka 1: Eligible Fixed Capital Investment (FCI) - 100%, Reimbursement of SGST- 90%. Incentive Period- 10 years.
- In Taluka 2: Eligible FCI- 80%, Reimbursement of SGST- 80%. Incentive Period- 10 years.
- In Taluka 3: Eligible FCI- 70%, Reimbursement of SGST- 70%. Incentive Period- 10 years.

An industrial undertaking that has availed any incentive for the same assets under any scheme of the state government, or any agency of the state government, shall not be eligible for incentive under this scheme.

4. Reimbursement of expenses incurred in quality certification and patent registration:
 - 50% of the capital cost for installing the Enterprise Resource Planning provided by Industries Commissionerate maximum amount of INR 150,000 where investment is between INR 20 million and INR 100 million; up to 60% where investment lies between INR 5 million and INR 20 million; and up to the extent of 65% where investment is limited up to INR 5 million.
 - 50% of the charges paid for ISO certification up to the extent of INR 50,000.
 - 50% of all charges up to the amount of INR 0.5 million paid for obtaining each of the certification for ISI/ WHO-GMP/ Hallmark certifications and other national/ international certification approved by Quality Council of India.
 - 50% of fee payable to recognized International Certification Authority and 50% cost of testing equipment and machinery required for that certification, in total up to the extent of INR 1 million.
 - 75% of the expenditure incurred subject to max INR 2.5 million for obtaining patent of developed product. The assistance shall be disbursed after the publication/ notification of the patent and application for the same has to be filed within one year from the date of publication of the patent.
 - Assistance for investment in Plant and Machineries for ICT facilities are limited to the extent of INR 0.5 million, the quantum of the assistance depends on the investment. Where such investment is up to INR 5 million, assistance would be provided up to 65% of the capital expenditure related to ICT facilities, where investment is from INR 5 million up to INR 100 million assistance provided is 50%.

5. Incentives for cleaner environment: Implementation of cleaner production technology in place of existing process such as substitution and optimization of raw materials, reduction in water, energy or power consumption or any other environment management project with use of clean, efficient and innovative pollution control equipment. Up to 35% of the cost of plant and machinery with a ceiling of INR 3.5 million during the operative period of MSME and up to 10% of the cost of plant and machinery with a ceiling of INR 3.5 million during the operative period of large projects. For any other environment management project with use of clean, efficient and innovative pollution control equipment, up to 35% of the cost of plant and machinery with a ceiling of INR 3.5 million during the operative period of MSME and up to 10% of the cost of plant and machinery with a ceiling of INR 3.5 million during the operative period of Large projects.

6. Special incentives:
 - **Assistance for Venture Capital:** The entrepreneur setting up an MSME with innovative technology will be assisted to raise promoter contribution in the form of equity or loan. The assistance as promoter's contribution will be @20% of project cost maximum up to INR 5 million.

- **Assistance for Technology Acquisition:**(i) 50% of the cost payable for such purpose subject to maximum of INR 5 million, including royalty payment for first two years where investment is between INR 20 million to INR 100 million in plant and machineries, (ii) 60% of the cost payable for such purpose subject to maximum of INR 5 million, where investment is between INR 5 million to INR 20 million in plant and machineries, and (iii) 65% of the cost payable for such purpose subject to maximum of INR 5 million for investments up to INR 5 million in plant and machineries.
 - **Assistance for saving in consumption of Energy and Water:**75% cost of energy/ water audit conducted by a recognised institution subject to a maximum INR 50, 000 for each will be reimbursed once during the operative period of the scheme.25% cost of equipment recommended by the Auditing authority subject to maximum INR 2 million one-time assistance will be eligible during the operative period of the scheme. The assistance on cost of equipment will be eligible subject to the condition that saving in energy/water minimum by 10% of average monthly consumption of previous 12 months before audit.
 - **Assistance to SME for raising Capital through SME Exchange:** 20 % of expenditure incurred on rising of fund through SME maximum up to INR 0.5 million one time after successful rising of equity as per approved scheme by SME during the operative period of the scheme.
 - **Assistance for reimbursement of CGTMSE fees:** Financial institutions sanction Collateral free loans up to INR 10 million by charging additional fees on such loans in order to support women, SC/ ST & physically challenged entrepreneurs. Reimbursement of 100% annual service fees paid for availing such term loan under CGTMSE for a period of 5 years is provided.
 - **Rehabilitation of Sick Enterprises:** For preparing diagnostic report from expert expenditure incurred thereof will be reimbursed @50% of cost of Draft Rehabilitation Scheme subject to maximum of INR 0.1 million to sick enterprise.
 - **Assistance to R&D:** Assistance to laboratories established by Industrial Associations with the help of Government will be up to 60% of the project cost for machinery and equipment cost. Assistance for contract/ sponsored research work from any industrial enterprise/ industrial association to recognized R&D institutions approved by AICTE will be considered @50% of project cost, excluding cost of land and building subject to maximum of INR 5 million.
7. Incentives for Startups: INR 10000/ month for will be provided to the innovator as sustenance allowance for a period of one year whose project is approved and up to INR 0.5 million for mentoring services. INR 1 million will be provided on the account of cost of raw materials and other components. Up to INR 1 million assistance for marketing of the new product. A reimbursement of 80% SGST only 70 % of eligible fixed capital investment will be considered for reimbursement for a period of 5 years.

Maharashtra

1. Entrepreneurs have to apply for all the permissions required to set up a unit in a single online form to Single Window. All State related services, consents and permissions required to set up and operate an industry in Maharashtra shall be provided through MAITRI (online single window). The units applying for incentives in the first year of policy period will be given full basket of eligible incentives for respective category and location of the unit. If the unit applies in subsequent years of the policy period, the basket of incentives will be reduced by 5% for each year of delay in application.
2. Classification of enterprises is based on the combination of Talukas and sectors. The incentives will vary based on which enterprise is situated in which Taluka. Customized Package of Incentives to Mega and Ultra Mega projects on case-to-case basis.
3. Fixed Capital Investment Subsidy:
 - For MSMEs¹⁰: 30% up to 7 years for Taluka B, 40% up to 7 years for Taluka C, 50% up to 10 years for Taluka C, 50% up to 10 years for Taluka D, and 60% up to 10 years for Taluka D+.
 - For Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule: 80% up to 10 years.
4. Reimbursement of stamp duty, transfer duty, mortgage & hypothecation duty: 100% stamp duty exemption within investment period for acquiring land (including assignment of lease rights and sale certificate) and for term loan purposes. In case of A and B areas, only Information Technology (IT) and Biotechnology (BT) units situated in IT and BT public parks will be eligible for this exemption. In case BT and IT manufacturing units are situated in Private parks in group A and B areas then only 75% exemption will be provided. For Mega Projects in group A and B areas only 50% exemption is provided on Conveyance of title.
5. Power consumption subsidy:
 - In Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule (other than A areas): Power tariff subsidy INR 1/unit for 3 years.
 - In other areas (except A areas), to the tune of INR 0.5/- per unit consumed for 3 years
 - Eligible New MSMEs in C, D, D+, No industries Districts and Naxalism Affected Area will be entitled to exemption from payment of electricity duty for tenure equal to the eligibility period. However, in A and B Areas Electricity Duty exemption will be offered to 100% Export Oriented MSMEs and IT/BT units for 7 years.
6. Reimbursement of interest paid:
 - In areas other than A area: Interest subsidy @ 5% per annum maximum up to the value of electricity consumed and bills paid for that year, will be provided.

¹⁰MSME shall include units as per the MSMED Act, 2006, as well as the units with FCI of up to INR 0.5 billion MSMEs be offered. Investment Promotion Subsidy (IPS) on Gross SGST paid by the unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra.

- Incentives for Start-ups: Start-ups shall be provided with an 80% rebate in patent filing costs up to INR 0.2 million for Indian patents and up to INR 1 million for international patents. Compensation will be provided in three stages: during Filing, Prosecution and Award. Exemption @80% of quality testing costs incurred by start-ups at BIS-accredited facilities. Start-ups may receive grants matching the contributions raised on verified online crowdfunding platforms, up to INR 0.5 million. The number of individual donors must not exceed 100.

7. Incentives for Mega and Ultra Projects:

Type of Units	Taluka / Area Classification	Minimum Admissible FCI (billion)	Minimum employment number of people
Mega Industrial Units	A + B	15	2000
	C	10	1500
	D	7.5	1000
	D+	5	750
	Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	3.5	500
	No Industry Districts, Naxalism Affected Areas and Aspirational Districts	2	350
Ultra Mega Industrial Units	Entire State	40	4000

- Minimum Direct Employment prescribed in the table above should be created within a period of three years from the date of commercial production.
- State government shall be an equity partner of 9% through Maharashtra Vikrikar Rokhe Pradhikaran Limited (MVRPL) in Large, Mega and Ultra Mega projects in the State and projects with FCI of more than INR 5 billion. The equity will be in lieu of incentives received by these projects under Industrial Policy 2019-2024. The equity participation shall be in the form of shares only. The shares and dividend shall be issued in the name of MVRP. In order to avoid hostile takeover, if State government decides to sell its equity, the first right of refusal will be with the promoter of the company at prevailing market rates only.
- Incentives to such projects will be determined on a case to case basis.
- Startups in thrust sectors & emerging technologies such as artificial intelligence, robotics, internet of things, nanotechnology etc. will be provided with mentors from industry/business houses. The State will setup and promote incubators to handhold Startups in general and also for SC/ST category and women entrepreneurs.

- Eligible Industrial units in Agro & Food Processing (secondary and tertiary processing units and Farmer Producer Companies for manufacturing/processing activity only), Green energy/ biofuel and Industry 4.0 shall be granted 20% additional fiscal assistance and two-year additional eligibility period shall be applicable.

8. Incentives for large scale industries:

Taluka / Area Classification	Minimum Admissible FCI (billion.)	Minimum employment number of people	Power Tariff Subsidy
A + B	7.5	1000	-
C	5.00	750	100 %
D	2.50	500	100 %
D+	1.50	400	100 %
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	1.00	300	-
No Industry Districts, Naxalism Affected Areas and Aspirational Districts	1.00	250	100%

- The industrial promotion subsidy shall be 40% of the SGST paid for the first sale of goods sold in Maharashtra and billed & delivered to the same entity. This incentive will not be applicable for units located in "A" & "B" zone.
- In A and B Areas Electricity Duty exemption will be offered to 100 per cent Export Oriented MSMEs and IT/BT units for seven years.
- In case of A and B areas only IT and BT units will be eligible for this exemption.
- The units applying for incentives in the first year of policy period will be given full basket of eligible incentives for respective category and location of the unit. If the unit applies in subsequent years of the policy period, the basket of incentives will be reduced by 5% for each year of delay in application.

Rajasthan

1. Applicants shall be able to apply online at Rajasthan Industrial Promotion Scheme Portal for Subsidy or Tax Exemption. If the scheme is applicable to the applicant enterprise, it shall register the application and issue an entitlement certificate. The certificate issued is valid for two years or up to the date of expiry of operative period of the Scheme whichever is earlier. Application for incentives to be submitted within 90 days of the commencement of commercial production/operation incentives are based on the type of industries.

2. Reimbursement of Interest Subsidy Incentive: The amount of investment subsidy shall be equal to 100% of the amount of CGST and CST which has become due and has been deposited by the enterprise. The investment subsidy shall be allowed for a period of 10 years from the date of issuance of entitlement certificate. The investment subsidy shall be allowed without any limit or linkage with Eligible Fixed Capital investment (EFCI).
3. Reimbursement of stamp duty, transfer duty and mortgage & hypothecation duty:
 - For Service Enterprises: 50% of stamp duty on purchase or lease of land and construction or improvement on such land.
 - For Electronic System Design and Manufacturing Sector (ESDM) sector, making an investment not less than INR 0.50 billion and providing direct employment to at least 1000 persons: 50%.
 - For MSME sector: Exemption of INR 100 per document in case of loan agreements and deposit of title deed and lease contract and INR 500 per document in case of simple mortgage with or without transfer of possession of property executed for taking loan.
 - For Tourism sector: 25% additional exemption from payment of stamp duty chargeable on the instrument of purchase or lease of more than 100 years old heritage property in the state, for the purpose of hotel development.
 - For IT Sector, making an investment between INR 50 million -250 million: 50 % additional exemption of stamp duty on purchase or lease of land and construction or improvement on such land.
 - For Thrust Sector, making a minimum investment of INR 50 million: 50 % additional exemption of stamp duty on purchase or lease of land and construction or improvement on such land.
4. Reimbursement of land conversion charges: 50% for eligible manufacturing, service and tourism sector.
5. Reimbursement of tax:
 - For Service Enterprises: 50% paid on purchase of plant and machinery or equipment for a period up to 7 years.
 - For Power loom sector making a minimum investment of INR 2.5 million and giving employment to minimum 10 persons: 30% additional reimbursement of SGST on purchase of yarn in addition to the reimbursement of SGST for 7 years.
 - For Textile sector, making a minimum investment of INR 2.5 million: 50% of SGST on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles.
 - For Desalination sector:(i) 50% of SGST paid on purchase of plant and machinery or equipment within the State, for setting up of desalination plant, and (ii) 50% of SGST paid

- on purchase of membrane for use in desalination of water for seven years from the date of commencement of commercial production.
- For Tourism Sector: 25% of SGST paid on purchase of plant and machinery or equipment for a period up to seven years.
 - For Service enterprises in backward and most backward areas: Additional 10% of SGST paid and a service enterprise making investment in a most backward area.
 - For Enterprises by women, SC/ST and persons with disability: 10% reimbursement of SGST paid on the plant and machinery or equipment for a period up to seven years.
6. Power consumption subsidy:
- For Manufacturing/Service Enterprises: 50 % of electricity duty for 7 years.
 - For Tourism Sector: 25% of electricity duty.
 - For Entertainment Sector: 25% of electricity duty.
 - For ESDM sector, making a min investment of INR 0.5 billion and providing direct employment to at least 1000 persons: 50 % of electricity duty for additional 3 years.
 - For MSME sector in rural areas: 75% of electricity duty.
7. Reimbursement of interest subsidy:
- For ESDM sector making investment not less than INR 500 million and providing direct employment of at least 1000 persons: 5% for 10 years up to INR 5 million.
 - For Textile sector making investment of INR 2.5 million: 5% and in case of enterprises making more than 250 million Investment: Additional 1%.
 - For Robotic Enterprises making an investment equal to or above INR 500 million: 5% for a period of five years or up to the period of repayment of loan, whichever is earlier subject to a maximum of INR 1 million per annum.
 - For Technical Textile Enterprises making a minimum investment of INR 2.5 million: 7%.
 - For Agro-processing and Agri-marketing sector: 5%.
 - For Service Enterprises in the thrust sector, making a minimum investment of INR 2.5 million in the IT sector: 5% interest subsidy on the term loan, for a period of five years or up to the period of repayment of loan, whichever is earlier, subject to a maximum of INR 0.5 million per annum.
8. Incentives for cleaner environment: Effluent Treatment Plants
- For Textile Sector, enterprises making a minimum investment of INR 2.5 million: 20% of amount paid to the suppliers for the plant excluding civil work, subject to a maximum of INR 10 million.
 - For Enterprises engaged in manufacturing of cattle feed/ poultry feed/ fish feed making a minimum investment of INR 2.5 million: 20% of amount paid to the suppliers, subject to a maximum of INR 2.5 million.

9. Employment Subsidy:

S. No.	Category/ Sector	Quantum of Reimbursement
9.1.	An eligible service enterprise for employment generation For women, scheduled castes, scheduled tribes and persons with disability	INR 25,000 per employee per year INR 30000 per person per year
9.2.	Agro-processing and Agri marketing sector For women, scheduled castes, scheduled tribes and persons with disability	INR 30000 per person per year INR 37500 per person per year
9.3.	Enterprises engaged in manufacturing of cattle feed/ poultry feed/ fish feed	20% of SGST and CST which have become due and have been deposited by the enterprise, for seven years
9.4.	Enterprises making a minimum investment of INR 0.5 billion in the ceramic and glass sector	10% of SGST and CST which have become due and have been deposited by the enterprise, for ten years.
9.5.	Enterprises making a minimum investment of INR 0.25 billion in the dairy sector	10% of SGST and CST which have become due and have been deposited by the enterprise, for ten years.
9.6.	Enterprises, making an investment equal to or above INR 2.5 million but below INR 2.5 billion in the ESDM sector Investment equal to or above INR 2.5 billion but below INR 5 billion.	10% of SGST and CST which have become due and have been deposited by the enterprise, for ten years. 10% of SGST and CST which have become due and have been deposited by the enterprise, for 7 years.
9.7.	Enterprises making a minimum investment of INR 0.5 billion in the industrial gases sector	10% of SGST and CST which have become due and have been deposited by the enterprise, for seven years.
9.8.	Enterprises making a minimum investment of INR 0.5 billion in the pharmaceutical sector and providing a minimum employment of 200 persons	10% of SGST and CST which have become due and have been deposited by the enterprise, for seven years.

9.9.	Enterprises making a minimum investment of INR 0.1 billion in the plastic to petrol manufacturing sector	10% of SGST and CST which have become due and have been deposited by the enterprise, for ten years.
9.10	Enterprises of the tourism sector	10% of SGST and CST which have become due and have been deposited by the enterprise, for seven years.
9.11.	Enterprises making a minimum investment of INR 2.5 million in the sector in Kota stone, Marble and Granite Sector	10% of SGST and CST which have become due and have been deposited by the enterprise, for seven years.
9.12	Enterprises, making an investment equal to or above INR 1 billion but below INR 5 billion in the defence sector. Investment equal to or above INR 5 billion	10% of SGST and CST which have become due and have been deposited by the enterprise, for seven years. 10% of SGST and CST which have become due and have been deposited by the enterprise, for 10 years.
9.13	Enterprises making an investment up to INR 0.5 billion in the IT sector Investment above INR 0.5 billion but below INR 0.25 billion	20% of SGST and CST which have become due and have been deposited by the enterprise, for seven years 10% of SGST and CST for 7 years
9.14	Agro-processing and Agri-marketing sector making an investment up to INR 2.5 million If investment is more than INR 2.5 million	20% of SGST and CST which have become due and have been deposited by the enterprise, for seven years. 10% of SGST and CST which have become due and have been deposited by the enterprise, for seven years.

10. Special incentives:

- **Land Tax Exemption:** Any eligible manufacturing or service enterprise: 50% for 7 years.
- **Mandi fee exemption:** Any eligible manufacturing enterprise: 50% for 7 years.

- **Entertainment tax exemption:** Any eligible service enterprise shall get exemption from payment of 50 % of Entertainment Tax for 7 years. Enterprises of the tourism sector shall get exemption from payment of 50% of Entertainment Tax for 7 years.
- **Entry Tax Exemption:**
100% on capital goods for Service/ Manufacturing unit with investment more than INR 7.50 billion.
 - (i) 50% on capital goods for Dairy Sector with an investment of INR 250 million, plastic to petrol manufacturing sector with investment of INR 10 million, enterprises making a minimum investment of INR 2.5 million in the textile, enterprises making an investment between INR 1 billion and INR 5 billion, enterprises making an investment not less than 0.04 billion on setting up of desalination plant, and ESDM sector making an investment equal to or above INR 2.5 million but below INR 2.5 billion.
 - (ii) 50% on capital goods for investments equal to or above INR 500 million in the ESDM sector and providing direct employment to at least 1000 persons/ Enterprises making a minimum investment of INR 500 million in the pharmaceutical sector and providing a minimum employment of 200 persons.
 - (iii) 50% on raw and processing materials and packaging materials excluding fuel for manufacturing MSMEs.
 - (iv) 50 % on Plant & Machinery brought into the local areas for Agro-processing and Agri-marketing sector.

Tamil Nadu¹¹

1. Single Window Clearance in Tamil Nadu is provided by Industrial Guidance and Export Promotion Bureau (Guidance Bureau) for composite approval for pre-project clearances at the State Government level. The Tamil Nadu Industrial Investment Corporation Limited (TIIC) is the Nodal Agency for sanction and disbursement of incentives.
2. Fixed Capital Investment (FCI) Subsidy:

Investment in eligible fixed assets (INR in million)	Direct employment (in numbers)	Capital subsidy (INR in million)
50 – 500	100	3.0
500 – 1000	200	6.0
1000– 2000	300	10
2000 - 5000	400	10.5
5000 – 15000	600	10.75

¹¹For the purpose of administering the fiscal incentives, the districts of the state are classified as follows

A - Chennai, Tiruvallur and Kancheepuram (3 districts)

B - Other than A & C (20 districts)

C - Southern Districts (9 districts) Madurai, Theni, Dindigul, Sivagangai, Ramanathapuram, Virudhunagar, Tirunelveli, Thoothukudi and Kanniyakumari

15000 - 30000	800	20.00
30000 and above	1000	20.25

- New or expansion manufacturing units located within SIPCOT Industrial parks except southern districts will be provided an additional capital subsidy of 50% over and above the eligible limit.
 - New or expansion manufacturing units located outside the SIPCOT Industrial Parks will be provided an additional capital subsidy. 25% up to INR 3 million for MSMEs on pPlant and machinery, and additional 5% up to INR 0.2 million in case it is located in backward areas or agro based industries, and set up by wWomen, SC, ST, pPhysically handicapped or transgender entrepreneurs.
 - Micro / Small / Medium manufacturing enterprises in notified thrust sectors are eligible for 25% on eligible Plant and Machinery subject to maximum of INR 3 million. Such industries set up anywhere in the State are eligible.
3. Power consumption subsidy:
 - 2 years of exemption when FCI is INR 50-500 million
 - 3 years of exemption, FCI is INR 500-1000 million
 - 4 years of exemption, FCI is INR 1000-2000 million
 - 5 years of exemption when FCI is above INR 2000 million.
 4. Reimbursement of stamp duty, transfer duty and mortgage & hypothecation duty: 50% Exemption from Stamp duty on lease or sale of land meant for industrial use located in Industrial parks promoted by SIPCOT. Ultra-Mega projects are exempted 100%, irrespective of location.
 5. Reimbursement of expenses incurred for quality certification and patent registration: Reimbursement of 50% of the expenditure incurred by the industrial units, subject to a maximum of INR 0.1 million in getting the BIS, ISO 9000 / 14000 or any other national or international certification or patent registration.
 6. Incentives for cleaner environment: INR 3 million assistance or 25% of capital cost of setting up Effluent Treatment Plants or Hazardous Waste Treatment Storage and Disposal Facility, whichever is less.
 7. Employment intensive subsidy: 5% subject to a maximum of INR 0.5 million if at least 25 workers have been employed for a minimum period of 3 years within the first 5 years from the date of commencement of production for units set up in backward areas or agro based enterprises (applicable in agro based industries also).

8. Special incentives:

- Special Capital Subsidy to Thrust Sector Enterprises notified by the State Government: Micro / Small / Medium manufacturing enterprises in notified thrust sectors are eligible for 25% on eligible Plant and Machinery subject to maximum of INR 3 million. Such industries set up anywhere in the State are eligible.
- Interest Subvention Scheme: All term loans sanctioned by Tamil Nadu Industrial Investment Corporation Limited for Micro, Small and Medium Enterprises both manufacturing and service sectors, under various types of schemes like General Term Loan, Term Loan for Windmill, Working Capital Term Loan, Open Term Loan, etc. are eligible for the 3% interest subvention. Individual beneficiary can avail maximum interest subvention of INR 3 million irrespective of the number of loans.
- Back-ended Interest Subsidy: 3% back ended interest subsidy to a maximum of rs.1 million over a period of five years on loans up to INR 10 million for MSMEs under specific schemes like MSEF scheme and CLCS eligible technology scheme.
- Generator Subsidy: 25% of the cost of Generator set up to the capacity of 320 KVA for all new & existing MSMEs for their captive use subject to the maximum limit of INR 0.5 million.

9. Startup scheme: Educated youth with any Degree, Diploma, ITI/Vocational Training from a recognized institution and in the age group of 21-35 years under General Category and 21 to 45 years under Special Category aspiring to become entrepreneurs would be eligible for assistance under this scheme. The project cost shall not exceed INR 10 million. Capital subsidy of 25% of the project cost up to a maximum of INR 2.5 million will be provided by the State Government. Further, a 3% interest subvention will also be extended by the State Government.

10. Tax incentives for projects in Districts A and B:

Investment Category	Investment Range (INR in billions.)		Fiscal Incentives Offered
	A Districts	B Districts	For A & B group districts
Mega	Above 5 – 15 creating an employment of 300 in 3 years	Above 3.5- 10 creating an employment of 200 in 3 years	Net output SGST + CST paid will be given as Investment promotion subsidy/ soft loan for 10 years from the date of commercial production with a ceiling of 80% of investment made in EFA within the investment period. In respect of expansion projects, the

			cap will be 70%. Base volume principle and sliding scale will be applied.
Super Mega A	Above 15 – 30 creating an employment of 400 in 5 years	Above 10 – 200 creating an employment of 300 in 5 years	Net output SGST + CST paid will be given as Investment promotion subsidy/ soft loan for 12 years from date of commercial production with a ceiling of 90% of investment made in EFA within the investment period. If ceiling is not reached within 12 years, addl. period up to 6 years will be considered. Cap- 80% SGST to be subsidized during investment period.
Super Mega B	Above 30 – 50 creating an employment of 600 in 6 years	Above 20 – 40 creating an employment of 500 in 6 years	Net output SGST + CST paid will be given as Investment promotion subsidy/ soft loan for 14 years from date of commercial production with a ceiling of 100% of investment made in EFA within the investment period. If ceiling is not reached within 14 years, addl. period up to 7 years will be considered. Cap- 80%. Subsidy will be included for capping of incentive based on Net Output SGST+CST
Ultra Mega	Above 50 creating an employment of 700 in 7 years	Above 40 creating an employment of 600 in 7 years	Gross output SGST and CST paid will be given in the form of Investment Promotion Subsidy/soft loan for 16 years (or) till the cumulative availment of the gross Output SGST+CST paid by the Company reaches 100% of eligible investment within the investment period, whichever is earlier. Input SGST refund as Investment Promotion subsidy for a period

			concurrent with the period of output SGST+CST refund or softloan. Refund of SGST paid on Capital Goods and tax paid on Works Contract will be given as subsidy during investment period. However, these two subsidies will be included for the ceiling fixed for Gross Output SGST+CST based incentive.
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11. Tax incentives for projects in District C:

Investment Category	Investment Range (INR in billions)	Fiscal Incentives offered
Mega	Above 2 to 5 creating an employment of 100 in 4years	Net output SGST + CST paid will be given as Investment Promotion subsidy/softloan for 10 years from the date of commercial production with a ceiling of 100% of investment made in EFA within the investment period. Cap- 100 %
Super Mega A	Above 5 -15 creating an employment of 250 in 5 Years	Net output SGST + CST paid will be given as Investment Promotion subsidy/softloan for 12 years from the date of commercial production with a ceiling of 100% of investment made in EFA within the investment period. If ceiling is not reached within 12 years, additional period up to 6 years will be given. Cap will be 100%.
Super Mega B	15 – 30 creating an employment of 350 in 6years	Net output SGST + CST paid will be given as Investment Promotion subsidy/softloan for 14 years from the date of commercial production with a ceiling of 100% of investment made in EFA within the investment period. If ceiling is not reached within 14 years, additional period up to 7 years will be given. Cap will be 100 %
Ultra Mega	Above 30 creating an employment of 500 in 7 years	Refund of gross output SGST and CST will be given in the form of Investment Promotion Subsidy for 16 years (or) till the cumulative availment of the gross Output SGST + CST paid by the Company reaches 100% of eligible investment within the investment period, whichever is earlier. Input SGST refund as Investment Promotion subsidy

		for a period concurrent with the period of output SGST/CST refund or softloan. Refund of SGST paid on Capital Goods will be given as subsidy during investment period. The cap will be 100%.
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12. One-time FCI subsidy:

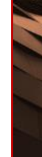
S. No.	Rate of Capital Investment Subsidy (CIS)	Textile Industry category	Maximum CIS Per Individual entity
1.	15% on Eligible Machines	Garmenting, Technical Textiles	INR 300 million
2.	10% on Eligible Machines	Weaving for brand new Shuttle-less Looms (including Weaving Preparatory and Knitting) Processing, Jute, Silk and Hand Loom	INR 200 million
3.	15% on eligible machines	Composite unit/Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.	INR 300 million (In case the applicant had availed subsidy earlier under RRTUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity)
4.	10% on Eligible Machines	Composite unit/Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50%, then the subsidy cap will be INR 200 million.	INR 200 million (In case the applicant had availed subsidy earlier under RRTUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity)

Telangana

For disbursement of incentives enterprises are classified into Micro, Small, Medium, Large and Mega¹². The Government will also extend tailor-made benefits to Mega Projects to suit to a particular investment requirement on case to case basis.

1. Single window Clearance: TS- iPASS (Telangana State Industrial Project Approval and Self-Certification System) has been introduced to obtain all basic statutory clearances for the Industrial Parks from the appropriate authorities like Land Conversion, Land Use, Layout Approval and Environmental Clearance from Ministry of Environment & Forests, Government of India, so that the industrial units need not obtain individual clearances. All the mega projects (over INR 2 billion) will get clearance within 15 days while other projects will be approved within a month. There is a provision of automatic approval system on submission of a self-certification. In order to avail the incentives, application to the General Manager, District Industries Centre concerned through MEE SEVA has to be placed.
2. Fixed Capital Investment Subsidy:
 - For MSEs: 15 % up to INR 2 million.
 - For women owned enterprise where investment is limited to 5 million: additional 10 % subsidy (subject to maximum subsidy of 1 million).
 - For MSMEs set up by SC and ST Entrepreneurs, with a maximum limit per unit as INR 7.5 million: 35%.
 - For units set up in Scheduled Areas by ST entrepreneurs with a maximum limit per unit as INR 7.5 million: additional 5 %.
3. Reimbursement of stamp duty, transfer duty, mortgage & hypothecation duty: Applicable in case of MSEs, Medium and Large enterprises and Enterprises owned by SC/ST entrepreneurs.
 - For purchase of new land/shed/building meant for industrial use or expansion/ divarication projects in: 100%.
 - For lease, mortgage and hypothecation deeds of new land/ shed/ buildings or expansion/divarication projects: 100%.
4. Reimbursement of land cost in industrial estates/industrial development authority/industrial parks (IE/IDA/IP): 25% land cost limited to INR 1 million, and 33.3% for SC/ST Category.
5. Reimbursement of Interest Subsidy: Interest subsidy under PavalaVaddi Scheme on the term loan taken on the fixed capital investment by MSEs in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of

¹² Enterprises with less than INR 2.5 million in plant and machinery is referred as Micro, investment between INR 2.5 million and INR 50 million. known as Small, investment between INR 50-100 million. referred to as Medium, investment between INR 100-2000 million. called as Large and enterprises having investment above INR 2000 million. or providing employment to more than 1000 persons known as Mega Industries.



commencement of commercial production. This benefit is also applicable to the Service Sector units set up under this Policy. Minimum 3% interest per annum should be borne by the Enterprise. Over and above 3% interest per annum reimbursement will be done to the extent of 9% maximum i.e. in case an interest up to 12% interest per annum for a period of 5 years from the date of commencement of commercial production under PavalaVaddi Scheme. Over and above 12% interest per annum, the enterprise has to bear.

6. Reimbursement of land conversion charges: 25% land conversion charges for industrial use, limited to INR 1 million applicable for MSMEs.
7. Reimbursement of tax:
 - For MSEs: 100% of SGST/CST for 5 years.
 - For Medium Enterprises: 75% (or up to realization of 100% fixed capital investment, whichever is earlier) for 7 years.
 - Large Enterprises: 50% (or up to realization of 100% fixed capital investment, whichever is earlier) for 7 years.
8. Power consumption subsidy: INR 1 per unit in case of any industry irrespective of any classification for a period of 5 years, and INR 1.5 per unit in case of industries promoted by SC/ST Entrepreneurs for a period of 5 years.
9. Seed capital assistance: The Seed capital assistance to First Generation Entrepreneurs to set-up Micro Enterprises @10% of the machinery cost for General Category, for SC/STs 20% of the Machinery cost, which will be deducted from the eligible investment subsidy.
10. Reimbursement of expenses incurred for quality certification/patent registration:
 - For MSMEs: 50% subsidy on the expenses incurred for quality certification/ patent registration limited to INR 0.2 million.
 - For MSMEs set up by SC and ST Entrepreneurs: 100% subsidy on the expenses incurred for quality certification/ patent registration limited to INR 0.3 million.
11. Incentives for cleaner environment:
 - For MSEs: 50% of the expenditure for that purpose up to the extent of INR 0.5 million.
 - For Medium and Large Enterprises: 25% up to the extent of INR 0.5 million.
12. Reimbursement of cost involved in skill upgradation and training: 50% up to INR 2000 per person for MSMEs and Large enterprises.
13. Special incentives:

- SC/ST owned enterprises.: Infrastructure like roads, power and water will be provided at doorstep of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of INR 10 million., subject to:
 - (i) the location should be beyond 10 kms from the existing Industrial Estates/IDAs having vacant land/shed for allotment and
 - (ii) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry. 50% of the cost of infrastructure is raised to 75% in respect of units set up by ST entrepreneurs in Scheduled areas

Joint venture industries of SC/ST entrepreneurs should be owned 100% by SC/Entrepreneurs. Share- holding should continue for at least 6 years from the date of production. The land will be allotted on lease basis for a period of 10 years with lease rent @ INR 100/- per annum per acre by TIISC.

- Textile Industries: Reimbursement of interest subsidy @ 4% for spinning activity (excluding Ginning) for period of 5 years from the Date of Commencement of Commercial Production. Reimbursement of interest subsidy @ 6% for Industries involved in composite activities i.e., Spinning and Weaving/Knitting/Dyeing/ Garmenting (excluding ginning) for a period of (5) years from the Date of Commencement of Commercial Production.

CHAPTER IV – CUSTOMS

Custom is a government agency entrusted with enforcement of laws and regulations to collect and protect import revenues, and to regulate and document the flow of goods in and out of the country. Further, a tax imposed on the goods when they are transported across the international borders, i.e. Custom Duty. This agency has prescribed different custom procedures for Import and Export of goods. The procedure usually entails:

Import Procedure:

1. Bill of Entry – Cargo Declaration
2. Assessment
3. EDI Assessment
4. Examination of Goods
5. Green Channel facility
6. Execution of Bonds
7. Payment of Duty
8. Amendment of Bill of Entry
9. Prior Entry for Bill of Entry
10. Mother Vessel/Feeder vessel
11. Specialised Schemes
12. Bill of Entry for Bond/Warehousing

Export Procedure:

1. Registration
2. Processing of Shipping Bill - Non-EDI
3. Processing of Shipping Bill - EDI
4. Octroi procedure, Quota Allocation and Other certification for Export Goods
5. Arrival of Goods at Docks
6. System Appraisal of Shipping Bills:
7. Status of Shipping Bill
8. Customs Examination of Export Cargo
9. Variation Between the Declaration & Physical Examination
10. Stuffing / Loading of Goods in Containers
11. Drawal of Samples
12. Amendments
13. Export of Goods Under Claim for Drawback
14. Generation of Shipping Bills:
15. Export General Manifest

Customs Act, just like any other tax law is primarily for the levy and collection of duties but at the same time it has the other and equally important purposes such as (i) Regulation of imports and exports; (ii) Protection of domestic industry; (iii) Prevention of smuggling; and (iv) Conservation and augmentation of foreign exchange and so on.

It is essential to acknowledge that an entity may face certain or generic issues with customs, and it is equally essential to foresee and maybe prepare for such issues. Below is a brief discussion on various custom challenges that an entity might face and solutions thereto.

Challenge	Key Considerations	Solutions
Custom duty components (import of goods)	<ul style="list-style-type: none"> Basic Customs Duty (BCD) adds to cost since no set-off available 	<ul style="list-style-type: none"> Explore BCD exemptions

	<ul style="list-style-type: none"> Social welfare charge 10% of BCD; Integrated GST 18% 	<ul style="list-style-type: none"> Explore methods to set-off Integrated GST
Custom valuation	<ul style="list-style-type: none"> Duty levied on inherent value and must include charges towards royalty, license/design fee, value of software, etc. 	<ul style="list-style-type: none"> Have arms-length pricing and adhere to transfer pricing norms
	<ul style="list-style-type: none"> Related party transactions subject to valuation scrutiny 	<ul style="list-style-type: none"> Follow valuation procedures
Custom duty concessions	<ul style="list-style-type: none"> Subject to strict interpretation of conditions prescribed 	<ul style="list-style-type: none"> Seek advance ruling in case of doubt
Customs classification	<ul style="list-style-type: none"> Often disputed in case of rate arbitrage or duty 	<ul style="list-style-type: none"> Maintain prescribed documentation

While importing goods, it is essential that a valuation is performed in accordance with relevant custom rules. As per section 14 of Customs Act, 1962, the value of imported goods shall be the transaction value, paid or payable at the time and place of importation, where the buyer and seller are unrelated and price is the sole consideration. In any other case, the value needs to be determined as per the Customs Valuation (Determination of Price of Imported Goods) Rules, 2007 (CVR). Therefore, in the following cases valuation has to be done as per CVR 2007:

- Buyer and seller are related.
- Price is not the sole consideration i.e. where royalty, license fee etc. is paid/payable.

In case of related parties, Circular No. 5/2016 dated 9th Feb 2016 relating to “procedure for investigation of related party import cases and other cases by the Special Valuation Branch (SVB)” has been issued. The Special Valuation Branch (“SVB”) is an institution specialising in investigation of transaction involving special relationships between buyer-seller or those involving other special circumstances surrounding the sale of goods, both of which have a bearing on the assessable value. The SVB functions under the supervisory control of the Jurisdictional Chief Commissioner/Principal Commissioner.

The table below summarises the transactions which may and may not be referred to SVB as per Circular No. 5/2016 – Customs dated 9th Feb 2016, and the following chart elucidates the process.

Particulars	Cases

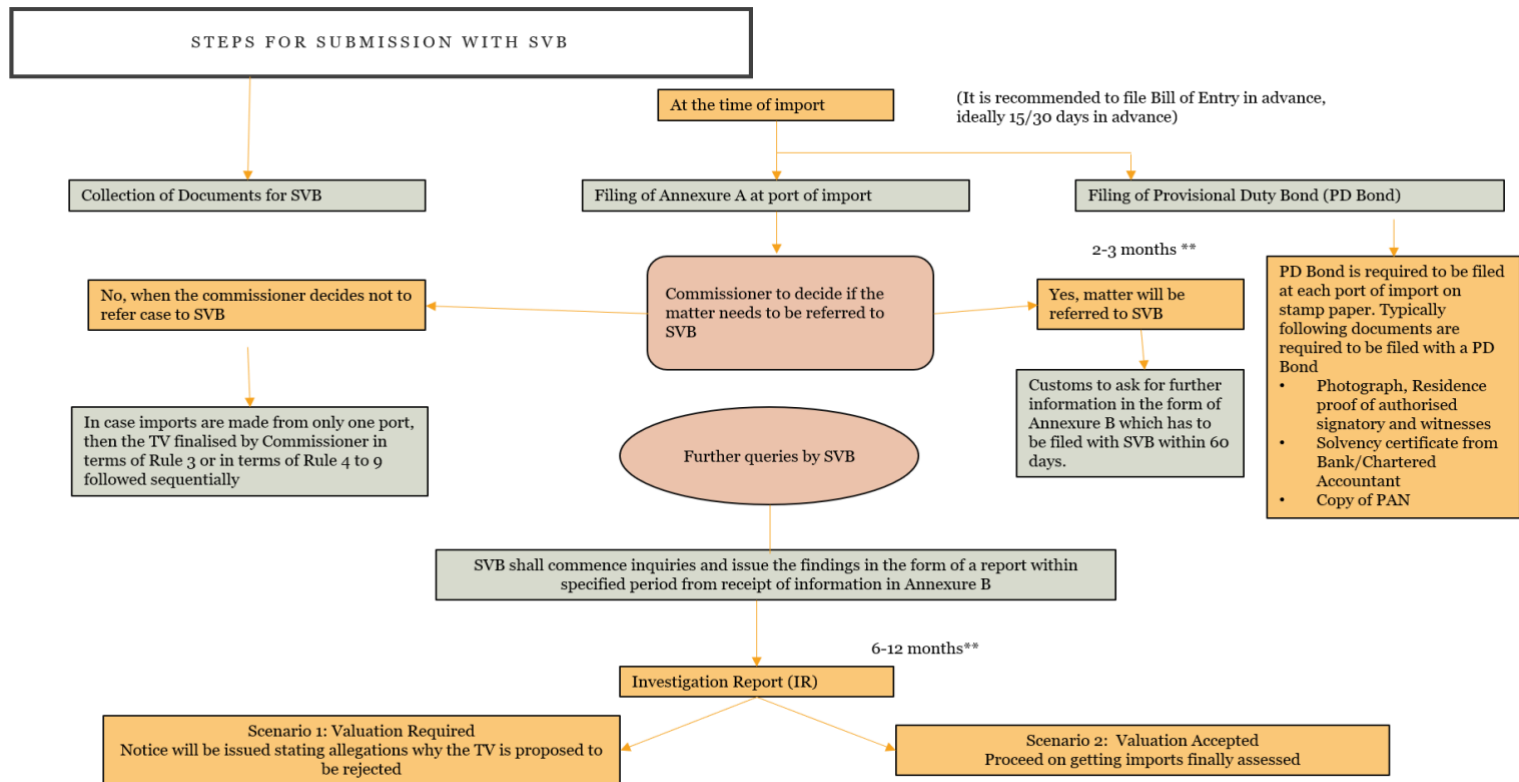
Not referred to SVB investigations	<ul style="list-style-type: none"> • Import of samples and prototypes from related sellers. • Imports from related sellers where duty chargeable (including additional duty of Customs) is unconditionally fully exempt or nil etc. • Any transaction where the value of imported goods is less than INR 0.1 million but cumulatively these transactions do not exceed INR 2.5 million in any financial year.
Usually referred to SVB investigations	<ul style="list-style-type: none"> • Transaction between related parties. • Transaction involving addition to declared transaction value on account of: <ul style="list-style-type: none"> i. Royalty and License fee under Rule 10 (1) of CVR, 2007 ii. Where the value of any part of proceeds of any subsequent resale, disposal or use of imported goods accrues to the seller (i.e. Rule 10 (1)(d)) of CVR, 2007. iii. Where any other payments are made or are made in future by buyer to seller as a condition of sale of imported goods etc. (i.e. Rule 10 (1)(e)) of CVR, 2007.

While dealing with customs, an entity may face the following issues with respect to transfer pricing:

- Transfer Pricing Margin: Higher transfer pricing margin i.e. higher profit in the Income Tax poses a challenge for declaration of import price.
- Advertisement, Marketing & Promotional Expenses: Disallowed AMP expenses may be added in the import price under the Rule 10 of the Customs Valuation Rules, 2007.
- Addition to the Declared Value: Expenses like royalty, license fee, subsequent payment after sale of goods are added to the Declared value.

Another aspect of customs is “TV”. TV or Transaction value (i.e. price actually paid or payable by the buyer to seller) is the value of imported goods on which Customs duty is payable. In case of import from related parties, the importer needs to demonstrate to SVB authorities that the price of imported goods is proximate to the value under one or more of the below valuation methodologies:

- Transaction value of identical goods
- Transaction value of similar goods
- Deductive value method
- Computed value method
- Residual value method



** the timelines are an estimate based on past experience, however, it may differ depending on case to case basis

THE AEO SCHEME

Authorised Economic Operator or AEO is a trade facilitation scheme for ease of doing business in light of international developments. This principle is based on principle of sharing role and responsibility of customs with trade and industry and objective is to delink payment and clearance, to accept paperless declaration, increase efficiency, self-certification, earliest refund and drawback, request based examination/inspection etc. The authority issues an AEO certificate which is valid for a particular period and can be renewed on expiry. The holder of AEO certificate is entitled for privileges, benefits, exemptions and relaxations on account of import and export. Key drivers for AEO certification include:

- Duty deferment
- Exemption from requirement of bank guarantee
- Direct port delivery
- Self-certification of origin certificate
- Faster disbursement of refunds
- Standardised and automated business operations in line with international practices

Under AEO scheme, importers or exporters are either granted AEO T1, AEO T2 or AEP T3 certificate on the basis of their respective eligibility criteria apart from the basic eligibility requirements.

Basic requirements include:

- Anyone involved in the international supply chain that undertakes customs related activity in India can apply for AEO status irrespective of size of the business.
- The applicant should have business activities for at least three financial years preceding the date of application.
- In order to apply for AEO status the applicant must be established in India.
- AEO scheme is made open to all importers or exporters whose threshold if either import or export declarations in 25 documents i.e. either Bill of Entry or Shipping Bills during the last financial year.

The following table summarises additional certificate specific conditions/requirements for the applicant of AEO certificate:

S. No.	Particulars	AEO T1	AEO T2	AEO T3
1.	Security Plan: detailed security plan to be provided	NA	Yes	Yes
2.	Business Partner Details: details of logistic service provider, custodians, custom brokers to be provided	NA	NA	Yes
3.	Safety and Security: procedural security, premises security, cargo security, conveyance security, personal security, business partner security, security training and threat awareness	NA	Yes	Yes
4.	Process Map: map illustrating the flow of goods and other details to be provided	Yes	Yes	Yes
5.	Site Plan: site plan illustrating access points, security features to be provided	Yes	Yes	Yes
6.	Legal compliance: no SCN issued in last 3 financial years, no case of prosecution, and procedures should be in place to identify and disclose any irregularities or errors to the customs authorities	Yes	Yes	Yes
7.	Managing commercial and transport records, maintain an accounting system consistent with Generally Accepted Accounting Principles (GAAP)/International Financial Reporting Standards (IFRS), internal controls capable of detecting illegal or irregular transactions, and procedures in place for the handling of licenses and authorisations connected to export/import.	Yes	Yes	Yes
8.	Financial solvency: Financial solvent during the three financial years preceding the date of application, applicant should not be listed currently as insolvent or in liquidation or bankruptcy, and applicant should not	Yes	Yes	Yes

	have defaulted in payment of due customs duties during the past three years.			
9.	Physical verification: physical verification will be conducted for validating the compliance of above requirements.	NA	Yes	Yes

**Economic operator must have continuously enjoyed the status of AEO T2 for at least a period of two years preceding the date of application for grant of AEO T3 status and its other business partners namely importers or exporters, logistics service providers, custodians/terminal operators, customs brokers and warehouse operators are holders of AEO T2 or AEO LO certificate or any other equivalent AEO certificate granted by a foreign custom authority.*

Further, the following summarises the benefits of each AEO certificate through a comparative table.

Key Benefits	AEO T1 (over regular importer/exporter)	AEO T2 (in addition to T1)	AEO T3 (in addition to T2)
Faster disbursement of incentives (duty drawback and refunds)	×	✓	✓
Direct port delivery/entry of containers	✓	✓	✓
24-hour clearance without merchant overtime fees	✓	✓	✓
Apply for advance authorisation on self-declaration	✓	✓	✓
Facility for deferred duty payment	×	✓	✓
Submission of documents to customs	All in originals	Paperless declarations	Self-certified copies
Waiver of bank guarantee	50%	75%	100%
Faster resolution of investigations under indirect taxes	✓	✓	✓
Seal verification by customs officer	Required	Waived	Waived
Priority processing of BOE/Shipping bills	✓	Higher as compared to T1	Higher as compared to T2
Dedicated relationship manager from customs	×	✓	✓
Access to consolidated data through ICEGATE	×	✓	✓
Scanning of containers at port	Required	Priority over others	Waiver
Facility to paste MRP stickers in their premises	×	✓	✓
Faster completion of SVB proceedings	×	✓	✓
Brand enhancement	✓	✓	✓

The AEO T2 for the following additional benefits:

Description	Nature of Benefits
Deferred duty payment for imports	Working capital/cash flow
Faster disbursement of duty drawback	Working capital/cash flow
Disbursement of refund within 45 days	Working capital/cash flow
Faster custom clearance time	Simplification to result in saving of 1-2 days in import and export handling
Procedural simplification leading to Full Time Employment (FTE) reduction	FTE reduction
Payout charges saving – rent, CHA charges, transaction cost	CHA charges saving
Trade facilitation support by custom authorities	Immediate support in case of ICEGATE disruptions, double duty payments, direct port deliveries, etc.
Identity cards for hassle free entry to custom houses, CFS and ICD	Reduce time in taking permissions and entry procedures
Email updates of arrival/departure of vehicles	When started would help in knowing the actual vessel departures/sailing. Will help particularly in ports where infrastructure is not strong like Mangalore
Access to consolidated import/export data through ICE GATE	Real time information on cargo and container movement, duty payment and other facilities
Alignment with global mandate on enhancing supply chain network via AEO certification	Import/exports from and to AEO certified will reduce the clearance time at destination as well as loading ports

The AEO scheme works on “Applicant-Partner” model wherein the applicant needs a partner to (i) achieve international trade process standardisation, (ii) assist in critically assessing existing processes and security environment and evaluate alignment with the AEO framework, and (iii) assist in design and implementation of controls across business units to enhance overall security environment and ensure sustainable compliance with AEO requirements. Further, the partner needs to have expertise in:

- Envisioning the process documentation.
- Standardisation of process across business units.
- Managing AEO certification program end-to-end.
- Customs and global trade practices and supply chain security.
- Deploying robust implementation methodologies.
- Training and knowledge transfer for diverse stakeholders.

Free Trade Agreements

A Free Trade Agreement or FTA is a multinational agreement according to international law, to form a free-trade area between the cooperating states. FTAs, a form of trade pacts, determine the tariffs and duties that countries impose on imports and exports with the goal of reducing or eliminating trade barriers, thus encouraging international trade. Such agreements usually "centre on a chapter providing for preferential tariff treatment", but they also often "include clauses on trade facilitation and rule-making in areas such as investment, intellectual property, government procurement, technical standards and sanitary and phytosanitary issues". The trading blocs have internal arrangements which parties conclude in order to liberalize and facilitate trade among themselves.

S.No.	Name of the Agreement and the participating countries	Date of Signing	Date of Implementation
1.	India - Bhutan Agreement on Trade, Commerce and Transit	17.01.1972 (Revised on 28.07.2006) (Agreement is renewed, from time to time, by mutual consent to such changes and modifications as may be agreed upon between the two countries)	29.07.2006
2.	Revised Indo-Nepal Treaty of Trade	06.12.1991 (Revised on 27.10.2009) (The Treaty is amended/ modified by mutual consent of the contracting parties and the present Treaty is	27.10.2009

		valid till 26.10.2016)	
3.	India - Sri Lanka FTA	28.12.1998	01.03.2000
4.	Agreement on South Asian Free Trade Area (SAFTA) (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, Maldives and Afghanistan)	04.01. 2004	01.01.2006 <i>(Afghanistan became Eighth Member of SAARC from April, 2007 and the provisions of Trade Liberalization Programme are applicable to Afghanistan w.e.f. 07.08.2011).</i>
5.	India - Thailand FTA - Early Harvest Scheme (EHS)	01.09.2004	01.09.2004
6.	India - Singapore Comprehensive Economic Cooperation Agreement (CECA)	29.06.2005	01.08.2005
7.	India - South Korea Comprehensive Economic Partnership Agreement (CEPA)	07.08. 2009	01.01.2010
8.	India – ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)	13.08.2009	1st January 2010 in respect of India and Malaysia, Singapore, Thailand. 1st June 2010 in respect of India and Vietnam. 1st September 2010 in respect of India and Myanmar. 1st October 2010 in respect of India and Indonesia. 1st November in respect of India and Brunei. 24 January 2011 in respect of India and Laos.

			1 st June 2011 in respect of India and the Philippines. 1 st August, 2011 in respect of India and Cambodia.
9.	India - Japan Comprehensive Economic Partnership Agreement	16.02.2011	01.08.2011
10.	India - Malaysia Comprehensive Economic Cooperation Agreement	18.02.2011	01.07. 2011

In addition to the above-mentioned FTAs, India has signed Preferential Trade Agreement (limited tariff lines with Margin of Preference i.e. percentage of Tariff concession) with the following countries:

S. No.	Name of the Agreement and the participating countries	Date of Signing	Date of Implementation
1	Asia Pacific Trade Agreement (APTA) (Bangladesh, China, India, Lao PDR, Republic of Korea, and Sri Lanka)	July, 1975 (revised Agreement signed on 02.11.2005)	01.11.1976
2	Global System of Trade Preferences (GSTP) (Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Viet Nam, Yugoslavia, Zimbabwe)	April, 1988	April, 1989
3	India - Afghanistan PTA	06.03.2003	May, 2003
4	India - MERCOSUR PTA	25.01.2004	01.06.2009
5	India - Chile PTA	08.03. 2006	August, 2007

CHAPTER V - EXPORT OF SERVICES FROM INDIA

The Centre has launched Service Export from India Scheme (SEIS). Under SEIS, the services providers of notified services are incentivized in the form of Duty Credit Scripts at the rate of 3 or 5% on their net foreign exchange earnings. These SEIS scrips are transferrable and can also be used for payment of a number of Central duties/taxes including the basic customs duty.

The Centre has notified various services covered by the scheme and the rates at which the services are incentivized. The notification is provided under:

<https://dgft.gov.in/sites/default/files/pn0315.pdf>

Eligibility Criteria

- Service provider should have minimum net free foreign exchange earnings of US\$15,000 in the year of rendering the services.
- For Individual Service Providers and sole proprietorship, such minimum net free foreign exchange earnings criteria would be US\$10,000 in financial year when the services have been rendered.
- Service provider shall have to have an active Import Export Code (IE Code) at the time of rendering such services for which rewards are claimed.

Once the service provider fulfils the above eligibility conditions, he can claim the benefits of SEIS in the form of Duty Credit Scripts but only for those services which are listed in Appendix 3D (Attachment Given at the bottom of page along with rate of rewards).

How to Apply

An Online Application needs to be filed on the DGFT Server and the relevant fields of information need to be entered in the SEIS ECOM Module. All the relevant forms which are ANF3B and Annexure to ANF3B are available online. You may also refer the link <http://dgft.gov.in/links/appendices-and-anf-ftp2015-2020> on the DGFT Server to view the Forms applicable for SEIS Application.

Registration

Whether you are a manufacturer or a services provider, RCMC (Registration Cum Membership Certificate) from the relevant export promotion council is compulsory in your main line of business. As per Public Notice No. 26/2015-2020 dated 01.08.2018 issued by Directorate General of Foreign Trade, Department of Commerce to add an “Others” category in list of 14 service sectors of SEPC. Now all the services are covered by SEPC along with 14 service sectors explicitly mentioned earlier. Therefore, if you are a services provider and want to avail SEIS incentives, then SEPC RCMC is compulsory.

Meet the Corporate & Tax Partners

Gaurav Shanker



Gaurav is the Managing Partner with over 13 years of professional experience. Before BLC, Gaurav has worked in leadership capacities with tier 1 law firms of the country. Gaurav has extensively worked alongside various international law firms, including Magic Circle Law Firms and successfully advised on the Indian laws. He has deep understanding of transaction issues, deal structuring and negotiating issues relevant to Indian and cross border transactions. Gaurav also supports the startup ecosystem by advising early stage companies.

Gaurav's area of practice includes corporate, project finance and real estate laws, he has advised clients on varied aspects of mergers and acquisitions (in-bound & out-bound), venture capital or private equity investments, general corporate advisory, banking finance. On real estate, he has advised on regulatory issues including FDI, NCDs listing and title searches.

Gaurav read Corporate Finance and Strategy at London School of Economics & Finance and law at ILS Law College, Pune. Legal Era, a prestigious Legal Media Group featured Gaurav in their list of top 7 'Rising Lawyer of the Year' in India. Gaurav, has an excellent reputation and is considered as "A deal lawyer will protect you enough while still pushing the deal through, which is a delicate balancing act". Gaurav has aided multinational corporations, startups, partnership and other entities in obtaining various registrations and certificates.

Gaurav is admitted to the Bar Council of Maharashtra and Goa, India and International Bar Association, London.

Anirban Ghosh

Anirban expertise is in indirect tax laws and shipping laws. He has been handling Indirect Taxes with specific reference to Central Excise, Customs, Goods & Service Tax, VAT, Sales Tax, Luxury tax and Entertainment Tax. Anirban is handling recovery related assignments and is empanelled with various Banks and NBFCs and assists them on debt recovery.

Anirban has delivered extensive lectures on Service Tax implications on tour operators and travel agents for TAAI. Anirban advises export houses and assists them in settling disputes with regard to international disputes with Shipping Lines, disputes relating to LC, Bill of Lading and allied issues.

Anirban has represented big four chartered accountancy firms on contentious matters in Courts and Tribunals, Techno India, National Council of Science Museums (Science City), Travel Agents Association of India (TAAI), Ludlow Jute & Specialties limited, Magma Fincorp etc.

Anirban has completed his law from Symbiosis Societies Law College, Pune and is admitted at the Bar Counsel of West Bengal, India.





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