

# Comparison of State Industrial Policies

## Southern Region

Prepared for:




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# Executive Summary



# India Scenario



India is one of the fastest growing nations in the world, which boasts of 7% to 7.5% GDP growth per year and a whopping millennial population of ~600 million.

With the advent of technology and related disruptions, India is catching up with its global counterparts in terms of innovation and pioneering business models and strategies.

Alongside, the huge and diverse consumer market and growing income levels are poised to provide the necessary boost to innovators to profitably tap market opportunities and sustain competition. Active support from the present Government toward removing several regulatory and infrastructural roadblocks should bolster the investment scenario in India.

In the last 3-4 years, Government of India has initiated numerous measures to boost doing business in India by improving and streamlining the business climate. The World Bank Doing Business Report 2017 portrays India as rank 130th, a major improvement of 12 positions from 142nd rank in 2015. The Government now envisions India to be positioned among the top 50 countries in the coming years.

In order to achieve this status, the States need to engage in impending structural reforms. To begin with, the Department of Industrial Policy & Promotion (DIPP) introduced ranking of the states on Ease of Doing Business in 2015, which was done on 98 parameters. In 2016, the same practice was repeated and the assessment of states became more in-depth and they were assessed on total 336 parameters.

## India Scenario – continued

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This rigorous reform process has been broadly based on 10 parameters, namely:

- Single window clearance
- Labour regulation enablers
- Online tax return filing
- Inspection reform enablers
- Commercial dispute resolution enablers
- Availability of land
- Construction permit enablers
- Access to information and transparency enablers
- Obtaining electricity connection
- Environment registration enablers

In the recent assessment of 2016, the final result exhibits that the states have progressively developed to make it easier to do business. This is substantiated by the fact that the current national implementation average is 48.9%; this is significantly higher than the 2015 national average of 32%.

# Focus on the Southern part of India : Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu and Telangana

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The state governments, particularly of the Southern Region, have consistently incorporated an acquiescent policy ambience that develops private enterprise, nurtures MSMEs, and makes investing in the state beneficial, which in turn will alleviate poverty and curtail unemployment.

Progressive industrial & sector specific policies are enabling the states to showcase a bullish investment scenario.

Encompassing the individual states' USPs and key growth sectors, the state governments have constituted sector-specific policies to promote investments, coupled with general package of financial incentives.

The Southern regional states are trying their level best to offer different best-in-class policy instruments and fiscal impetus with the sole target to boost industrial growth.

# Overview of the Specified Southern States

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**Andhra Pradesh** - Andhra Pradesh (AP) has a 974 km of coastline and is located in the Southern peninsula of India. Andhra Pradesh is surrounded by Chhattisgarh (North), Odisha (Northeast), Telangana and Karnataka (West), Tamil Nadu (South), and the Bay of Bengal (East). As of July 2016, the state had 19 operational SEZs covering diversified sectors including textiles and apparel, food processing, footwear and leather products, multi-product, pharma, IT SEZs and so on.

**Karnataka** - Karnataka is situated in the southern part of India. It is enclosed by the Arabian Sea on the west, Goa on the northwest, Maharashtra on the north, Andhra Pradesh on the east, Tamil Nadu on the southeast, and Kerala on the southwest. Karnataka is known as the IT hub of India and has the fourth largest technology cluster in the world. There are 47 IT/ITeS SEZs, three software technology parks, and dedicated IT investment regions in Karnataka.

**Kerala** - Kerala also known as God's own country is located along the coastline on the southwest of the Indian peninsula, bordered by the Arabian Sea on the west and the Western Ghats on the east. Kerala has a widely diversified fiscal and policy incentives for businesses under the Industrial and Commercial Policy and has well outlined sector-specific policies.

*Source: IBEF & Frost & Sullivan Analysis*

## Overview of the Specified Southern States – continued

**Puducherry** – The Union Territory of Puducherry is situated on the Coromandel coast, about 160 kms south of Chennai. It is bordered on the east by the Bay of Bengal and on the other three sides by the South Arcot District of Tamil Nadu. Initially Puducherry had a small industrial inheritance of 3 textile mills, now it has 8,966 industries representing diversified industries. Seven well established industrial estates with exhaustive infrastructure facilities are formed to boost the industrial growth of Puducherry. Principal export items are Leather, Chemicals, Textiles and Metallic products, and the export performance is also good for the state.

**Tamil Nadu** - Tamil Nadu is the 4th largest state of India. It is located in the southernmost part of the country, and is flanked by Andhra Pradesh on the north, Karnataka and Kerala on the west, Indian Ocean on the south, and Bay of Bengal on the east. Tamil Nadu has an advanced infrastructure with a superior road and rail network, 3 major ports, 23 minor ports, and 7 airports across the state which provides exceptional connectivity.

**Telangana** - Telangana, which was formed in June 2014, is the 29th state of India, with Hyderabad as the state capital. The state is bordered by (new) Andhra Pradesh to the south and east, Maharashtra and Karnataka to the west, and Odisha and Chhattisgarh to the north. The capital city of Hyderabad (also the capital for earlier entire Andhra Pradesh state) is a hub for information technology (IT) and pharmaceutical sectors. Leading IT companies like Facebook, Google, IBM and Microsoft already have presence in Hyderabad. The central government recently announced establishment of an Information Technology Investment Region (ITIR) near Hyderabad which is anticipated to generate 1.5 million direct and 5.3 million indirect jobs in the IT sector in the next five years.

*Source: IBEF & Frost & Sullivan Analysis*

# Ranking of the states on the basis of Business Implementation Scorecard (Top 25 States)

Table 1: Ranking of the states on the basis of Business Implementation Scorecard (Top 25 States)

Sl. No.	State	Score (%)
1.	TELANGANA	40.86
2.	HARYANA	37.10
3.	WEST BENGAL	31.18
4.	CHHATTISGARH	26.34
5.	ASSAM	25.27
6.	MAHARASHTRA	24.73
7.	GUJARAT	22.58
8.	JHARKHAND	22.31
9.	KARNATAKA	22.31
10.	RAJASTHAN	22.31
11.	HIMACHAL PRADESH	19.89
12.	ODISHA	17.47
13.	TAMIL NADU	15.59
14.	TRIPURA	8.60
15.	GOA	6.72
16.	DELHI	6.03
17.	ANDHRA PRADESH	4.57
18.	JAMMU & KASHMIR	4.40
19.	PUDUCHERRY	4.38
20.	DADRA & NAGAR HAVELI	4.12
21.	BIHAR	3.49
22.	PUNJAB	3.49
23.	DAMAN & DIU	2.27
24.	MADHYA PRADESH	1.34
25.	KERALA	0.81

Note: The States and Union Territories from the above table that are covered in this study

Source: <http://eodb.dipp.gov.in/>



# State Industrial Policies

*Source for Slide 10-36: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

# Table on State Industrial Policies – Andhra Pradesh

Particulars	Andhra Pradesh
<b>A. Single Window System for Ease of Doing Business</b>	<ul style="list-style-type: none"> <li>Policy aims to create a conducive ecosystem to provide all clearances required to setup industry within 21 days through a Single desk mechanism</li> <li>State Level Clearance Mechanism through Single Desk Bureau</li> <li>District Level Clearance Mechanism through District Industries Promotion Committee</li> <li>Spot Approvals: Registration under Professional Tax, Registration of Shops and Establishments, Registration of establishments deploying contractual workmen /interstate migrant workmen among others</li> <li>Deemed Approval based on self- certification</li> <li>Assignment of Inspection to Private Technical Experts</li> <li>Parallel Processing of clearances introduced to expedite closure of application process</li> </ul>
<b>B. Thrust/ Focus Sectors</b>	Agro Processing, Defence manufacturing, Biotechnology, Textile, Automobile, Electronics manufacturing
<b>C. Incentives</b>	
Category: Areas / Zones	No such categorisation: Incentives applicable to the entire state
VAT and CST Incentive/ Investment Subsidy	<ul style="list-style-type: none"> <li>For large industry unit, 50% of net VAT/CST State Goods &amp; Service Tax (SGST) will be reimbursed for 7 years or up to realization of 100% Fixed Capital Investment (FCI), whichever is earlier</li> <li>For sector specific industries like apparel, food processing, biotech, automobile VAT/CST/SGST concession may be higher</li> </ul>
Capital / Interest Subsidy	<p>For Scheduled Caste (SC)/Scheduled Tribe (ST) &amp; Backward Class (BC) Entrepreneurs:</p> <ul style="list-style-type: none"> <li>Interest subsidy on the term loan taken on FCI in excess of 3% per annum subject to maximum of 9% per annum for 5 years</li> <li>Seed capital assistance to first generation entrepreneurs @ 25% of the Machinery cost</li> <li>35% investment subsidy on FCI by SC &amp; ST entrepreneurs and additional 10% investment subsidy for SC &amp; ST Women Entrepreneurs, with maximum limit per unit is Rs 7.5 million</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Andhra Pradesh – continued

ED/ Power Incentives	Nil
SD/ Registration Fees Incentive	Nil
Employment Generation Subsidy	Projects with an investment of at least 500 crore or direct employment generation of 2000 will be accorded mega industry status. The Government will extend tailor- made benefits to mega projects to suit particular investment requirements on case to case basis based on the gestation period, pioneering nature, locational aspects, technology, project's importance to the state's industrial growth and its ability to generate large scale employment for people or revenues for the state.
Land Incentives	Nil
Additional Incentives	Nil
Incentives to Existing Enterprises	Incentives under the Policy only available to the new enterprises
Support to MSME sector	<p>a. Stamp Duty (SD)</p> <ul style="list-style-type: none"> <li>• 100% of SD and transfer duty paid by the industry on purchase of land meant for industrial use will be reimbursed</li> <li>• 100% of SD for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed</li> <li>• SD will be reimbursed only one time on the land. SD will not be waived on subsequent transactions on the same land</li> </ul> <p>b. VAT/CST/SGST</p> <ul style="list-style-type: none"> <li>• For micro &amp; small enterprises, 100% of net VAT/CST/SGST will be reimbursed for a period of 5 years from the date of CoCP</li> <li>• For medium industries, 75% of net VAT/ CST/ SGST will be reimbursed for a period of 7 years from the date of CoCP or up to realization of 100% FCI, whichever is earlier</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Andhra Pradesh – continued

<b>D. Business Environment / Facilitation</b>	
Infrastructure Development	<ul style="list-style-type: none"> <li>To set up Industrial Area Development Authority (IADA)s to facilitate and encourage investment into specific investment zones like SIRs, industrial parks, industrial corridor nodes and so on Industrial corridors will be developed on node based approach. Funding of the node will be provided by multi-lateral agencies such as Asian Development Bank (ADB)/ Japan International Cooperation Agency (JICA)</li> <li>Gol has accorded in-principle approval for setting up two NIMZs: Chittoor and Prakasam. These NIMZs would be developed as world class industrial regions with each spread over a minimum of 5,000 hectares. These regions will act as growth nodes for industrial development and employment generation in the State</li> <li>ITIR are proposed in districts of Visakhapatnam &amp; Chittoor. Information Technology Investment Region (ITIR) would be a combination of IT/ITES and Electronics Hardware Manufacturing Units; Public utilities, residential area, social infrastructure and administrative services</li> <li>State Government will facilitate setting up of SITs across various districts with local self-government status</li> </ul>
Environment Related Reforms	<ul style="list-style-type: none"> <li>For companies engaged in recycling waste into environment friendly products, VAT rate applicable will be zero</li> <li>State Government will provide up to 35% subsidy on cost of plant &amp; machinery for specific cleaner production measures limited to Rs 3.5 million for MSME and up to 10% subsidy limited to Rs 3.5 million for large enterprises</li> <li>State Government will provide 25% subsidy of total FCI of the project for Waste water treatment, Green Buildings etc with ceiling of Rs 500 million</li> </ul>
Labour Reforms	<ul style="list-style-type: none"> <li>A single integrated return under all Labour Laws has been mandated Clear timelines have been mandated through legislation for approval of complete application under The Factories Act, 1948; The Indian Boilers Act, 1923; The Contracts Labour (Regulation and Abolition) Act, 1970 and so on</li> <li>Provision for Combined Annual Return under Labour Acts and Registration for Unorganised Worker/Transport Driver have been made online</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Andhra Pradesh – continued

Land allotment	<ul style="list-style-type: none"> <li>• Identified land bank of 0.3 million acres and is further in process of consolidating an additional industrial land bank of approximately 0.7 million acres</li> <li>• Key details and parameters about land parcels will be made available online on the Land Information System. Geographic Information System (GIS) will be used to create land inventory and update information of land parcels on real time basis</li> <li>• Land shall be allotted on 99 years lease. SIPB may consider outright sale of land in case the investment is exceeding Rs 1 billion; the gestation period of the project is more than 5 years; the industry is located in backward areas to be notified by the Government and so on</li> </ul>
Skill Development	<ul style="list-style-type: none"> <li>• Setting up Andhra Pradesh State Skill Development Corporation (APSSDC) to provide funding to build scalable, for-profit vocational training initiatives</li> <li>• Identifying required quantum of skilled manpower, map industry specific skill sets and provide courses at different levels of education</li> <li>• Training institutions at divisional level through PPP</li> <li>• Special emphasis on skilling first generation entrepreneurs, women, minorities etc</li> <li>• Industries involved in drafting training curriculum to make it sector-specific and market driven</li> <li>• Manpower Information System (MIS) would be developed and maintained</li> </ul>
<b>E. Links for Download of Policy Document</b>	Andhra Pradesh Industrial Development Policy 2015-20; Andhra Pradesh Single Desk Policy 2015–20

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

# Table on State Industrial Policies – Karnataka

Particulars	Karnataka
<b>A. Single Window System for Ease of Doing Business</b>	<p>Karnataka Udyog Mitra:            Single point of contact for Project proposal with investments more than Rs 150 million</p> <ul style="list-style-type: none"> <li>• Registrations/ approvals of 10 departments provided online</li> <li>• Commercial tax related services provided online</li> <li>• Online information on availability of land in Industrial areas</li> <li>• Timelines fixed for providing most of the industry related services</li> <li>• Property registration fully computerized</li> <li>• Online Consent for Establishment from PCB</li> <li>• Online project monitoring system for tracking the application</li> </ul>
<b>B. Thrust/ Focus Sectors</b>	Tourism, Agro Processing & Electronic Manufacturing
<b>C. Incentives</b>	
Category: Areas / Zones	<p>In order to create a strong industrial base, the taluks are grouped with separate incentives and concessions in different zones as below:</p> <ul style="list-style-type: none"> <li>• Hyderabad Karnataka (HK) Area classified into 2 Zones namely: HK Zone 1 and HK Zone 2 (Most backward taluks in HK Zone 1, More backward taluks in HK Zone 2)</li> <li>• Taluks in other than HK Area are classified into 4 Zones: Zone 1, 2, 3 &amp; 4 (Most backward taluks in Zone 1, more backward taluks in Zone 2, backward taluks in zone 3 and industrially developed taluks in Zone 4)</li> </ul>
VAT and CST Incentive/ Investment Subsidy	Nil

Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis

## Table on State Industrial Policies – Karnataka – continued

Capital / Interest Subsidy	<p>Interest Free Loan</p> <ul style="list-style-type: none"> <li>• Large Enterprises: 100% of Net VAT + CST sanctioned as Interest free loan in Other than HK area. Investment Limit in Zone 1- 65% of VFA for 9 years; Zone 2- 50% of VFA for 8 years ; Zone 3- 40% of VFA for 7 years</li> <li>• Investment Limit for interest free loan in HK area will be: Zone 1- 75% of VFA for 10 years; Zone 2- 60% of VFA for 9 years</li> <li>• Mega Enterprises: 100% of Net VAT+ CST will be sanctioned as Interest free loan in Other than HK area. Investment Limit will be as: Zone 1- 80% of VFA for 10 years; Zone 2- 60% of VFA for 9 years; Zone 3 50%of VFA for 8 years</li> <li>• Ultra Mega Enterprises: 100% of Net VAT + CST sanctioned as Interest free loan in Other than HK area. Investment Limit will be as: Zone 1- 85% of VFA for 11 years; Zone 2- 75% of VFA for 10 years; Zone 3- 60% of VFA for 9 years</li> </ul>
ED/ Power Incentives	Nil

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Karnataka – continued

SD/ Registration Fees Incentive	<ul style="list-style-type: none"> <li>Exemption from SD for MSMEs:           <ul style="list-style-type: none"> <li>i) Other than Hyderabad Karnataka Area               <ul style="list-style-type: none"> <li>Zone 1: 100%</li> <li>Zone 2: 100%</li> <li>Zone 3: 75%</li> <li>Zone 4: Nil</li> </ul> </li> <li>ii) Hyderabad Karnataka Area               <ul style="list-style-type: none"> <li>HK Zone 1: 100%</li> <li>HK Zone 2: 100%</li> </ul> </li> </ul> </li> <li>For all loan documents, lease deeds and sale deeds as specified in the zones above, the registration charges shall be at a concessional rate of Re.1 per Rs.1000.</li> </ul>
Employment Generation Subsidy	<p>All Large, Mega, Ultra Mega &amp; Super Mega Enterprises established in Zones 1, 2, 3 and HK Zone I &amp; 2 will be eligible for an interest free loan on Net VAT and CST, subject to industries providing minimum number of direct employment generated</p>
Land Incentives	<ul style="list-style-type: none"> <li>Concessional Registration Charges: For all loan documents, lease deeds and sale deeds, the registration charges shall be at a concessional rate of Re 1 per Rs 1,000</li> <li>The payment of land conversion fee for converting the land from agriculture use to industrial use including for development of industrial areas by private investors will be reimbursed as:           <ul style="list-style-type: none"> <li>Other than HK Area Zone 1: 100%; Zone 2: 100%; Zone 3: 75% &amp; Zone 4: Nil</li> <li>HK Area: HK Zone 1: 100%; HK Zone 2: 100%</li> </ul> </li> </ul>
Additional Incentives	<ul style="list-style-type: none"> <li>Subsidy for Setting up ETPs: Up to 50% of cost subject to ceiling of Rs 20 million in respect of HK Zone 1 &amp; 2, other than HK Zone 1, 2, 3 and Rs 10 million in other than HK Zone 4</li> <li>Exemption from Entry Tax- In areas other than HK Zone 1, 2 &amp; 3 and HK Zone 1 &amp; 2 these units are eligible for 100% exemption from payment of Entry Tax for initial period of 3 years for large and mega and five years for ultra-mega and super mega enterprises</li> </ul>

Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis



## Table on State Industrial Policies – Karnataka – continued

Incentives to Existing Enterprises	<ul style="list-style-type: none"> <li>• The enterprise to be eligible for incentives under expansion / modernisation etc. has to increase installed capacity by at least 25% and has to make additional investment of at least 25% of original fixed investment</li> <li>• Furthermore, investments made by any existing units on land, building, plant &amp; machinery acquired are not eligible for any investment promotion subsidy. However this condition does not apply to tax based incentives i.e. the promoters after take over can either expand, modernize, and so on</li> </ul>
Support to MSME sector	<ul style="list-style-type: none"> <li>• Investment Promotion Subsidy: Quantum of subsidy for Small Enterprises: Other than HK Area: Zone 1: 20% VFA (max. Rs 4 million); HK Area 25% VFA max Rs 4.5 million. For Medium Manufacturing Enterprises, Other than HK Area Rs 5 million; In HK Area, Rs 5.5 million</li> <li>• Exemption from SD: Other than HK Area: Zone 1: 100%; Zone 2: 100%; Zone 3: 75%; Zone 4: Nil</li> <li>• Concessional Registration Charges: For all loan documents, lease deeds and sale deed, the registration charges shall be at a concessional rate of Re 1 per Rs 1,000</li> <li>• Reimbursement of Land Conversion Fee: Other than HK Area: Zone 1: 100%; Zone 2: 100%; Zone 3: 75%; Zone 4: Nil</li> </ul>
<b>D. Business Environment / Facilitation</b>	
Infrastructure Development	<ul style="list-style-type: none"> <li>• Chennai Bangalore Chitradurga Industrial Corridor (CBCIC) and Bangalore Mumbai Economic Corridor (BMEC) would be expedited on the lines of Delhi Mumbai Industrial Corridor (DMIC) with support of Go State Government will also explore the option of setting up of following SIC for benefitting backward districts and leading to sustainable industrial development along the length and breadth of the State: Bangalore-Mandya- Mysore-Chamarajangar, Chitradurga-Bellaiy- Gulbarga-Bidar, Dharwad—Koppal-Raichur and so on</li> <li>• To decongest Bangalore and to promote other areas through industrial development it is proposed to notify potential areas as SIRs to provide substantial infrastructure support from State Government</li> <li>• Existing industrial areas and estates older than 10 years will be provided with budgetary support in a phased manner to upgrade critical infrastructures</li> <li>• Assistance available under Modified Industrial Infrastructure Upgrading Scheme and other similar schemes of Government of India will be explored and leveraged in upgrading such infrastructure</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Karnataka – continued

Environment Related Reforms	<ul style="list-style-type: none"> <li>• Units practicing zero discharge eligible for subsidy on relevant equipment/technology</li> <li>• Adequate land earmarked in all new industrial areas/ estates for setting up Common Effluent Treatment Plant (CETP) and so on</li> <li>• Provide incentives on specific cleaner production measures adopted in new industries @25% of the cost limited to Rs 0.5 million</li> <li>• Land identified for amenities like CETP, Solid Waste Management will be allotted on long lease basis at concessional/ nominal rates</li> <li>• 50% of VAT paid on Plant and Machinery procured for renewable energy projects will be reimbursed</li> </ul>
Labour Reforms	<ul style="list-style-type: none"> <li>• Labour and Factories and Boiler Dept. related registrations &amp; renewals are being made online with provision for online payment and digitally signed downloadable &amp; verifiable certificates</li> <li>• Labour Market Information System (LMIS): to enable realistic assessment of economic trends and labour market needs. This information system will be set up at both State and district levels to help in planning for skill demand, supply and remuneration and other requirements. A nodal agency will be appointed for regional mapping of demand &amp; supply of available and projected skilled labour</li> </ul>
Land allotment	<ul style="list-style-type: none"> <li>• Online information on availability of land in Industrial Areas</li> <li>• To utilize proponent's own land for development of private industrial areas subject to compliance of land use pattern in the approved Master Plan by local planning authority</li> <li>• Allotment of bulk land in areas acquired by Karnataka Industrial Areas Development Board (KIADB) to the private investors for industrial areas through a transparent process</li> <li>• Developers or Co-developers of such projects shall develop, construct and install all basic support infrastructures.</li> <li>• FAR from present average levels of 1.0 to 3.0 and average ground coverage will be increased from 45- 50% to 70%</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Karnataka – continued

Skill Development	<ul style="list-style-type: none"> <li>• Government Tool Room &amp; Training Centre (GTTC) to be strengthened. GTTC Tool Rooms will be set up across the State</li> <li>• Reputed institutions will be encouraged to open new centers at potential locations to impart training on emerging skill sets. Suvarna Kayaka Kaushalyabhivruddhi Yojane (SKKY) scheme will be revised based on the present requirement</li> <li>• Industries offering 'on the job training' to fresh candidates will also be encouraged under Suvarna Kayaka Udyoga Shikshana Yojane (SKUSY)</li> <li>• Scheme of Modular Training Program of Director General of Vocational Training, GoI shall be dovetailed optimally to create required skilled manpower</li> <li>• ITIs would be encouraged in each industrial area to meet the clusters skill requirement</li> </ul>
<b>E. Links for Download of Policy Document</b>	Karnataka Industrial Policy 2014-19

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

# Table on State Industrial Policies – Kerala

Particulars	Kerala
<b>A. Single Window System for Ease of Doing Business</b>	<ul style="list-style-type: none"> <li>A single window facility started with an aim of expediting the issue of various clearances for new Industrial Projects, effective from June 1, 2000.</li> <li>A final clearance for all new projects, either approval or rejection, is to be given within a specific period from the date of submission of application. To cater this need, a State Level Board for aiding medium and large-scale industries has been constituted with Chief Secretary as its head. Under this the state level board has to issue clearances within a timeframe of 45 days.</li> <li>In a similar manner, District Level Boards have been constituted for clearing small scale industrial undertakings, with the District Collector as the Chairman and General Manager, District Industries Centre as the Convenor; the stipulated time frame being 60 days.</li> </ul>
<b>B. Thrust/ Focus Sectors</b>	Rubber based Industries, Agro based business including food processing, Readymade Garments, Ayurvedic medicines, Marine products, Light Engineering, Bio and Nano Technology
<b>C. Incentives</b>	
Category: Areas / Zones	<ul style="list-style-type: none"> <li>Industrial Development Zones (IDZ) around the logistics hubs of Thiruvananthapuram, Kochi, Kozhikode, and the upcoming international airport at Kannur.</li> <li>The IDZs will enable development of manufacturing industries, agro based industries, textiles, gems and jewellery, commercial ventures and social infrastructure in the regions and transform them into major manufacturing and trading destinations of South India.</li> </ul>
VAT and CST Incentive/ Investment Subsidy	The Government shall provide deferment of VAT for a period of 5 years for ESDM investments of Rs. 10 Crore or more

Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis

## Table on State Industrial Policies – Kerala - continued

Capital / Interest Subsidy	Government shall provide 20% capital subsidy for new manufacturing units in ESDM (Electronics Systems Design & Manufacturing) sector in the State. The State Investment Subsidy for industries as per the existing scheme under Director Industries and Commerce shall also be made applicable for Electronic manufacturing sector.
ED/ Power Incentives	Energy generated from the solar power plants to be fully exempted from paying the Electricity duty
SD/ Registration Fees Incentive	Nil
Employment Generation Subsidy	Nil
Land Incentives	Nil
Additional Incentives	Nil
Incentives to Existing Enterprises	Incentives under the Policy only available to the new enterprises
Support to MSME sector	<ul style="list-style-type: none"> <li>• The importance and contribution of the MSME sector to the economic growth and prosperity is well established.</li> <li>• Development of MSMEs are particularly crucial for Kerala due to shortage of Industrial land , high population density and the social fabric is more inclined to such a development.</li> <li>• A sizable number of SMEs in the manufacturing sector are located in the Development areas/plots and the small Industrial parks. The Infrastructure in these clusters will be upgraded to encourage the growth of the SMEs situated therein.</li> <li>• An MSME Equity participation fund for encouraging startups to be created in Kerala State Industrial Development Corporation and Kerala Financial Corporation.</li> <li>• Exemption for payment of EMD and security deposit and price preference to MSME may be continued for a period of 5 years. Purchase preference for SMEs in the State for PSU's / LSG procurement will be institutionalized.</li> <li>• Industrial Adalats will be organised regularly at District / State level with a view to understand the problems of MSMEs and to settle pending issues.</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Kerala - continued

D. Business Environment / Facilitation	
Infrastructure Development	Kerala Industrial Infrastructure Development Corporation has developed three Food Processing Parks which are now fully occupied. Government proposes to develop two Mega Food Parks under the Mega Food Park Scheme of Government of India - one in Palakkad district by KINFRA and the other in Alappuzha by Kerala State Industrial Development Corporation. Adequate common infrastructure facilities and necessary logistics support will be created through public and private sectors.
Environment Related Reforms	<ul style="list-style-type: none"> <li>• Government will encourage relocation of industries that are relatively polluting, to shift out of cities and urban areas, as done in National Capital Region.</li> <li>• Eco-friendly transportation modes will be encouraged, like introduction of CNG vehicles for public transport, CNG fuelling stations, etc, commensurate with the development of the gas pipeline network being laid within the State. Transportation of high volume nonperishable commodities through inland waterways and coastal shipping will be promoted</li> <li>• Initiatives will be launched so as to attract and channelize substantive investments in green and clean industries into the State. Government will introduce a Green Financing scheme in the State, with a cost of Rs.100 Crore.</li> </ul>
Labour Reforms	<ul style="list-style-type: none"> <li>• Skilled workers to industrial units will be facilitated through Employability Centers under the Labour and Skills department.</li> <li>• Women are encouraged to take up entrepreneurship as a career. The industries set up by them will be treated under the thrust industry category enabling them to avail 30% investment subsidy.</li> </ul>

Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis

## Table on State Industrial Policies – Kerala - continued

Land allotment	<ul style="list-style-type: none"> <li>• Government will initiate steps to effectively utilize the excess or unused land and other resources of the PSUs for industrial purpose through Govt. Agencies.</li> <li>• Multi-storied Standard Design Factories (SDF) will be set up in the available lands in existing Industrial Parks and Estates in view of the acute land scarcity in the State. An extent of 1 million sq.ft. of built-up space will thus be created in the form of Standard Design Factories in the Industrial Parks/ Estates spread across various Districts in the State</li> <li>• Logistics Hubs and nodes will be encouraged; and will be eligible for allotment of land/space in the Industrial Areas/ parks/ estates.</li> </ul>
Skill Development	<ul style="list-style-type: none"> <li>• Government has initiated skill enhancement programs in various sectors through the Kerala Academy for Skill Excellence (KASE) under the Department of Labour and Skills.</li> <li>• The Higher Education Department has been providing additional skill acquisition through its program called Additional Skills Acquisition Program (ASAP).</li> <li>• Specific needs of the industry in skill enhancement will be met through them. Information and Communication Technology will be promoted for the learning of skill development.</li> </ul>
<b>E. Links for Download of Policy Document</b>	Kerala Industrial & Commerce Policy 2015

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Puducherry

Particulars	Puducherry
<b>A. Single Window System for Ease of Doing Business</b>	Industrial permission/licence/clearance/No Objection Certificate will be issued within 30 day from the date of application through Industries Department / Fast Track Single Window System. The whole system of Single window application has been developed online. This administration will ensure the following: <ul style="list-style-type: none"> <li>• Digitization and simplification of process</li> <li>• Minimizing of processing period</li> <li>• Transparent and well defined inspection procedures.</li> <li>• Improvement of business environment</li> <li>• Timely clearances</li> <li>• Deemed clearances beyond the stipulated timeline if no decision is conveyed.</li> </ul>
<b>B. Thrust/ Focus Sectors</b>	Agro processing, electronics and software development, leather products, light engineering, textiles and Biotechnology
<b>C. Incentives</b>	
Category: Areas / Zones	No such categorisation: Incentives applicable to the entire state

Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis



## Table on State Industrial Policies – Puducherry - continued

<p>VAT and CST Incentive/ Investment Subsidy</p>	<p>Government of Puducherry will extend attractive benefits, incentives and concessions to mega projects on case to case basis on the basis of pioneering nature, locational aspects, technology, projects' importance to the Puducherry's industrial growth and its ability to generate large scale employment and revenues for the Union territory. A High Level Investment Committee chaired by the Honorable Chief Minister will decide the benefits that can be extended to the industries. Those having investment of above Rs. 100 crores in plant and machinery or providing employment to 500 persons is considered as Mega Project and those having investment of above Rs. 200 crores or providing employment to 1000 persons is considered as Super Mega Project and proportionate benefits will be extended by the High Level Investment Committee.</p> <p>For Micro &amp; Small Enterprises, 100% of the net VAT/SGST paid will be reimbursed for a period of 5 years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions.</p> <p>For Medium Enterprises, 75% of the net VAT/SGST paid will be reimbursed for a period of 5 years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions.</p> <p>For Large Enterprises, 50% of the net VAT/SGST paid will be reimbursed for a period of 5 years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions.</p>
<p>Capital / Interest Subsidy</p>	<ul style="list-style-type: none"> <li>• The industrial units availing loan from financial institutions towards creation of fixed assets and for working capital shall be eligible for an interest subsidy to an extent of 25% of the annual interest amount paid, for five years which shall be admissible from the date of commencement of commercial production, subject to a maximum of Rs.5 lakhs for a period of 5 years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions. The interest subsidy is also applicable to the units set up by person with disability / Ex- servicemen.</li> <li>• For Micro &amp; Small Enterprises, 40% on the investments made on land, building, plant and machinery subject to a maximum of Rs.40.00 lakhs.</li> <li>• For Medium &amp; Large Enterprises, 35% on the investments made on land, building, plant and machinery subject to a maximum of Rs.35.00 lakhs.</li> <li>• For Women/SC/ST Entrepreneurs, 45% on the investments made on land, building, plant and machinery subject to a maximum of Rs.75.00 lakhs.</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Puducherry - continued

ED/ Power Incentives	Fixed power cost reimbursement of 50 paisa per unit for a period of five years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions from the date of commencement of production.
SD/ Registration Fees Incentive	100% stamp duty for purchase/lease of land/shed/ buildings, mortgages and hypothecations
Employment Generation Subsidy	Wage / employment subsidy of 20% wage/salary upto a maximum of Rs. 5 lakhs per annum, in case of workers who are covered under Provident Fund (PF) (if applicable) will be granted for a period of five years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions. Wage / employment subsidy would be available only if the units provide direct employment to at least 10 persons and if the unit provides at least 60% of the employment to the people of Union Territory of Puducherry
Land Incentives	Nil
Additional Incentives	<ul style="list-style-type: none"> <li>Assistance for acquisition of appropriate technology in any form for specific product / process will be provided by way of 50% grant subject to maximum of Rs.10 lakhs.</li> <li>Assistance @ 50% subject to a maximum of Rs.2 lakhs for meeting the expenditure for obtaining domestic patent and Rs. 5 lakhs for international patent.</li> </ul>
Incentives to Existing Enterprises	<ul style="list-style-type: none"> <li>Government of Puducherry implemented uniform floor rate of tax for sales tax from financial year 2000.</li> <li>The Government of Puducherry recognizes that quality power and uninterrupted power supply are keys to the growth of the industrial sector. Quality power will be provided at competitive cost to industries.</li> <li>To retain the existing industries all efforts will be taken by making reforms in labour laws and maintaining peace and tranquility.</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Puducherry - continued

Support to MSME sector	<ul style="list-style-type: none"> <li>The micro, small and medium industrial units (manufacturing and service sector) shall be eligible for the grant of 50% subsidy with a ceiling of Rs. 5 lakhs per industrial unit.</li> <li>Assistance to MSME units for participation in international trade fair as a part of industry association will be given @ 50% of total rent and literature and display material subject to a maximum of Rs. 5 lakhs.</li> <li>Assistance will be granted to the eligible MSMEs for maximum 3 quality certifications @ 50% of the cost of quality certification with a ceiling of Rs. 2 lakhs.</li> <li>50% cost of energy / water audit conducted in a unit by a recognized institution / consultant subject to a limit of Rs.25,000 will be reimbursed to MSME.</li> </ul>
<b>D. Business Environment / Facilitation</b>	
Infrastructure Development	<p><b>For IT &amp; ITeS:</b> 30% subsidy subject to a maximum of Rs.1 crore will be granted on the investment made on building with a minimum extent of 50000 sq.ft. constructed area, by the infrastructure developers / industries for leasing out to IT industries or for own industrial use (for manufacturer of computer systems, software /Information Technology Enabled Services (ITES), Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO).</p>
Environment Related Reforms	<ul style="list-style-type: none"> <li>The units which are installing pollution control equipment will be granted subsidy @ 25% upto a maximum of Rs. 5 lakhs.</li> </ul>
Labour Reforms	<ul style="list-style-type: none"> <li>To retain the existing industries all efforts will be taken by making reforms in labour laws and maintaining peace and tranquility</li> </ul>
Land allotment	<ul style="list-style-type: none"> <li>Government has already identified land bank of 1425 acres - 800 acres at Sederapet –Karasur villages in Puducherry for promotion of Multi Product Industries, - 600 acres at Polagam, Karaikal for encouraging seaport based / multi product industries and 25 acres at Mettupalayam for promotion of IT Park / Industries. Consolidation of additional land bank is also on the anvil while preparing the Master Plan for the entire Union Territory of Puducherry.</li> <li>Land allotment will be made on transparent basis and land shall be allotted on long lease or outright sale.</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Puducherry - continued

Skill Development	50% of fees subject to a maximum of Rs. 3000 per person for 2 weeks duration training on skill up gradation programme conducted by the Pondicherry Management and Productivity Council or any other institutes approved by the Department of Industries and Commerce.
<b>E. Links for Download of Policy Document</b>	Industrial Policy 2016

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

# Table on State Industrial Policies – Tamil Nadu

Particulars	Tamil Nadu
<b>A. Single Window System for Ease of Doing Business</b>	<ul style="list-style-type: none"> <li>The Government of Tamil Nadu has established a Single Window facilitation mechanism under the Guidance Bureau to accord in-principle composite approval for pre-project clearances at the State Government level and to avoid procedural delays in getting statutory clearances from various authorities. A Committee headed by the Chief Secretary will monitor the progress of final approvals of all such cases.</li> <li>The Tamil Nadu Industrial Development Corporation (TIDCO) is mandated to facilitate various Infrastructure projects including Power, Port development, Special Economic Zone (SEZ), waste treatment, handling and disposal, etc.</li> </ul>
<b>B. Thrust/ Focus Sectors</b>	Automobile and Auto components Sector, Renewable Energy Equipment manufacturing Industries, Aerospace industry and Bio- technology and Pharmaceuticals Sector.
<b>C. Incentives</b>	
Category: Areas / Zones	No such categorisation: Incentives applicable to the entire state
VAT and CST Incentive/ Investment Subsidy	<p><b>a) For Mega Investment above Rs. 200 to 500 crore creating an employment of 100 in 4 years</b> Net output Value Added Tax (VAT)+ Central Sales Tax (CST) paid will be given as Investment Promotion subsidy/soft loan for 10 Years from the date of commercial production with a ceiling of 100% of investment made in estimated financial assistance (EFA) within the investment period. In respect of expansion projects, the cap will be 100%. Base volume principle will be applied. No Sliding scale.</p> <p><b>b) For Super Mega A Investment above Rs. 500 to 1500 crore creating an employment of 250 in 5 years</b> Net output VAT+CST paid will be given as Investment Promotion subsidy/ soft loan 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. In respect of expansion projects, the cap will be 100%. Base volume principle will be applied. No Sliding scale. Refund of VAT paid on capital goods will be given as subsidy during the investment period.</p>

Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis

## Table on State Industrial Policies – Tamil Nadu – continued

	<p>If ceiling is not reached within 12 years, additional period upto 6 years will be given. In respect of expansion projects, the cap will be 100%. Base volume principle will be applied. No Sliding scale. Refund of VAT paid on capital goods will be given as subsidy during the investment period.</p> <p><b>c) For Super Mega B Investment above Rs. 1500 to 3000 crore creating an employment of 350 in 6 years</b>  Net output VAT+CST paid will be given as Investment Promotion subsidy/ soft loan 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 upto 7 years will be given. In respect of expansion projects, the cap will be 100%. Base volume principle will be applied. No Sliding scale. Refund of VAT paid on capital goods will be given as subsidy during the investment period.</p> <p><b>d) For Ultra Mega Investment above Rs. 3000 crore creating an employment of 500 in 7 years</b>  Refund of gross output VAT and CST will be given in the form of Investment Promotion Subsidy for 16 years (or) till the cumulative availment of the gross Output VAT+CST paid by the Company reaches 100% of eligible investment within the investment period, whichever is earlier. Input VAT refund as Investment Promotion subsidy for a period concurrent with the period of output VAT/CST refund or soft loan. Refund of VAT paid on Capital Goods will be given as subsidy during investment period.  Refund of tax paid on Works Contract will be given as subsidy during investment period.  In respect of expansion projects, the cap will be 100%. Base volume principle will be applied. No Sliding scale.</p> <p><b>e) For investment of Rs.50-100 crore within 3 years</b>  Soft loan given would be equal to VAT paid in the first 3 years from the commencement of commercial production</p> <p><b>f) For investment of Rs.100-200crore within 3 years</b>  Soft loan given would be equal to VAT paid in the first 4 years from the commencement of commercial production</p>
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*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Tamil Nadu – continued

Capital / Interest Subsidy	25% on eligible plant and machinery value, subject to a maximum of Rs.30 lakhs (set up in 251 backward blocks – however micro enterprises are eligible in all areas)
ED/ Power Incentives	All units with demand of more than 10 MVA will be provided with reliable supply at 110 KV or 230 KV level depending on the eligibility. Uninterrupted power supply will be given to the projects if the same is covered by MoU or Government Order (non MoU).
SD/ Registration Fees Incentive	Nil
Employment Generation Subsidy	<ul style="list-style-type: none"> <li>• Employment Intensive Subsidy of 5% subject to a maximum of Rs.5.00 lakhs will be granted, 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 / agro based enterprises.</li> <li>• The Government will offer training subsidy as an incentive on a case to case basis taking into account the capacity of employment generation and the potential for significant improvement of skills.</li> </ul>
Land Incentives	Nil
Additional Incentives	Additional Capital Subsidy of 5% subject to a maximum of Rs.2.00 lakhs to Enterprises located in backward areas / agro based industries & set up by Women/ SC / ST / Physically handicapped / Transgender entrepreneurs.
Incentives to Existing Enterprises	Incentives under the Policy only available to the new enterprises
Support to MSME sector	Micro / Small / Medium manufacturing enterprises in notified thrust sectors are eligible for 25% on eligible Plant and Machinery subject to maximum of Rs.30.00 lakhs. Such industries set up anywhere in the State are eligible.

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

# Table on State Industrial Policies – Tamil Nadu – continued

D. Business Environment / Facilitation	
Infrastructure Development	In a bid to spur industrial growth across the state, the government is developing two major corridors including the Chennai-Kanyakumari corridor. The proposed industrial corridor will for the first time comprise nodes with exclusive planning authority and special purpose vehicles to provide necessary infrastructure. It is a new approach where, rather than industries running to various agencies, a mechanism will be created for all planning approvals such as masterplans and these will be given by a dedicated authority. The state is also foraying into the sunrise sector of aerospace and defence manufacturing and an aerospace park would soon be established at Sriperumbudur near the city for the purpose.
Environment Related Reforms	<ul style="list-style-type: none"> <li>a) Environmental Tax Reforms – Facilitating gradual shift towards management of environment and natural resources using market based instruments (e.g., eco-taxes)</li> <li>b) Green Economy and Green Growth – Facilitating move towards green economy and inclusive growth; and development of statistical systems that estimate environmentally adjusted growth.</li> <li>c) Public Private Partnership in the environmental sector.</li> <li>d) Enhancing awareness of legal issues regarding environment and working with environmental activists and judiciary.</li> </ul>
Labour Reforms	<p>The Government has permitted employment of Women for night shifts, vide its Order dated 03.04.2017, subject to certain safeguard measures.</p> <ul style="list-style-type: none"> <li>• The Government has fixed the time- limit for grant of registration certificate within 30 days and reduced the limit for issue of license from 60 days to 30 days under Contract Labour (Regulation and Abolition) Act, 1970, vide its order dated 02.11.2016.</li> <li>• The Government has fixed the time- limit of 45 days for registration of Trade Union under the Trade Unions Act, 1926 , vide its Order dated 02.05.2017.</li> <li>• Amendment in the Motor Transport Workers Act. <ul style="list-style-type: none"> <li>a) Provision of compounding of offences</li> <li>b) Applicable to every motor transport undertaking employing motor transport worker.</li> </ul> </li> <li>• The Government has introduced a compliance regime for “Start-Ups” based on self-certification and regulating the inspections under various Labour Laws, vide its D.O letter dated 03.05.2017.</li> </ul>

*Source: State Government Websites, State Industrial Policies, Times of India article & Frost & Sullivan Analysis*



## Table on State Industrial Policies – Tamil Nadu – continued

Land allotment	The State Industries Promotion Corporation of Tamilnadu Ltd (SIPCOT) is eyeing an addition of 50,000 acres to its land bank, including areas on Chennai's peripheries.
Skill Development	<ul style="list-style-type: none"> <li>• The Tamil Nadu Skill Development Mission implemented through a society has been reorganized as a Special Purpose Vehicle (SPV) with participation from private sector under Section 25 of the Companies Act, 1956 as a body corporate in the name, Tamil Nadu Skill Development Corporation for providing skill training through different departments.</li> <li>• Thrust will be given for creating a skilled and balanced workforce with a special focus to enable women to enhance their employability. The Government will take the lead in partnering with the industry in developing a curriculum for the industrial training institutes to make their graduates industry-ready. Technical institutes and polytechnics will be incentivised to align themselves with the industry needs and organise skill development programmes jointly to improve the employability of their students</li> </ul>
<b>E. Links for Download of Policy Document</b>	Tamil Nadu Industrial Policy; State Government Subsidies / Incentives – The Tamil Nadu Industrial Investment Corporation Ltd.

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

# Table on State Industrial Policies - Telangana

Particulars	Telangana
<b>A. Single Window System for Ease of Doing Business</b>	<ul style="list-style-type: none"> <li>Strengthening of existing Single Window Clearance System (SWCS) by the Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS)</li> <li>Creation of —Investment Promotion Cell: In the Commissionerate of Industries to facilitate the investors with adequate infrastructure and outsourcing the support services to facilitate investors by providing pre-investment services and also to facilitate them to get requisite clearances under the TS-iPASS till the project is commissioned.</li> </ul>
<b>B. Thrust/ Focus Sectors</b>	Agro processing, Defence manufacturing, Life sciences
<b>C. Incentives</b>	
Category: Areas / Zones	No such categorisation: Incentives applicable to the entire state
VAT and CST Incentive/ Investment Subsidy	Reimbursement of 50% net VAT/CST or SGST for a period of 7 years from the date of commencement of commercial production (CoCP) for Large Scale Industries or up to realization of 100% fixed capital investment, whichever is earlier
Capital / Interest Subsidy	Nil
ED/ Power Incentives	Fixed power cost reimbursement @ Re 1 per unit for a period of 5 years from the date of CoCP
SD/ Registration Fees Incentive	Nil
Employment Generation Subsidy	Nil
Land Incentives	<ul style="list-style-type: none"> <li>25% rebate in land cost limited to Rs 1 million in Industrial Estates/Industrial Parks</li> <li>Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from Industrial Infrastructure Development Fund (IIDF) with a ceiling of Rs 10 million, subject to:               <ol style="list-style-type: none"> <li>location should be beyond 10 kms from the existing Industrial Estates/ Industrial Development Area (IDA)'s having vacant land/shed for allotment and</li> <li>cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry</li> </ol> </li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Telangana – continued

Additional Incentives	<p>Women owned Enterprises additional 10% investment subsidy on fixed capital investment subject to a maximum of Rs. 1 million to MSEs.</p> <ul style="list-style-type: none"> <li>• 50% subsidy on the expenses incurred for quality certification/ patent registration limited to Rs 0.2 million</li> <li>• Reservation of 30-40% of the land for MSMEs in the upcoming industrial estates developed by Telangana Industrial Infrastructure Corporation (TSIIC)</li> </ul>
Incentives to Existing Enterprises	Incentives under the Policy only available to the new enterprises
Support to MSME sector	<ul style="list-style-type: none"> <li>• 100% reimbursement of SD on purchase of land meant for industrial use</li> <li>• Fixed power cost reimbursement @ Re 1 per unit for 5 years</li> <li>• 15% investment subsidy on FCI maximum of Rs 2 million for Micro and Small Enterprises</li> <li>• Reimbursement of 100% net VAT/CST or SGST for a period of 5 years for Micro and Small Enterprises</li> <li>• Reimbursement of 75% net VAT/CST SGST for a period of 7 years for Medium Scale Enterprises or up to realization of 100% FCI, whichever is earlier</li> <li>• Interest subsidy under Pavala Vaddi Scheme on term loan taken on FCI by New Micro and Small Enterprises in excess of 3% pa subject to a maximum reimbursement of 9% p.a. for a period of 5 years</li> </ul>
<b>D. Business Environment / Facilitation</b>	
Infrastructure Development	<ul style="list-style-type: none"> <li>• To provide Rs 1 billion of budget every year for promotion of quality infrastructure under IIDF Scheme</li> <li>• Promotion of National Manufacturing Investment Zone (NMIZ)</li> <li>• Promotion of Industrial Corridors to leverage the existing strengths for optimum utilisation of resources</li> </ul>

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

## Table on State Industrial Policies – Telangana – continued

Environment Related Reforms	25% subsidy on specific cleaner production measures limited to Rs 0.5 million
Labour Reforms	<p>Filing of applications and issue of approvals, renewals and inspections under all labour Acts are being made online</p> <ul style="list-style-type: none"> <li>• Joint inspection system on risk base is under evaluation. Low-risk establishments will be inspected only once in 10 years, medium risk once in 5 years, and high risk once in a year. These inspections will be carried out jointly by all the departments such as Labour, Factories, Boilers and so on, which require inspection.</li> <li>• The schedule of inspections will be determined through online computer-based risk management system</li> <li>• Introduction of Self-Certification and third party inspection system in Boilers Department</li> </ul>
Land allotment	The State Government has identified the land available for setting up industries in the Industrial Parks, TSIIC. This has been updated on the industries department website with the relevant details
Skill Development	<ul style="list-style-type: none"> <li>• T-Hub: PPP between the government of Telangana, 3 of India's premier academic institutes (IIIT-H, ISB &amp; NALSAR) and key private sector leaders</li> <li>• T-Hub is designed for technology-related start-ups</li> <li>• Attract the best start-ups and entrepreneur organizations from across the world</li> <li>• Work with an extensive network of partners to help entrepreneurs launch and scale innovative companies</li> <li>• Equip innovators and organisations alike with the entrepreneurship skills</li> <li>• Link, educate and promote all entrepreneurship-related stakeholders in Hyderabad and Telangana, including start-ups, investors, incubators and accelerators and so on</li> </ul>
<b>E. Links for Download of Policy Document</b>	Industrial Policy Framework for State of Telangana; Telangana State Industrial Project Approval and Self Certification System (TS-IPASS) Act 2014

*Source: State Government Websites, State Industrial Policies & Frost & Sullivan Analysis*

**Thank You**

