



**Diversify to Differentiate**  
Think India, *Think Next!*

# Incentives for New Manufacturing Set Ups in India



# Foreword

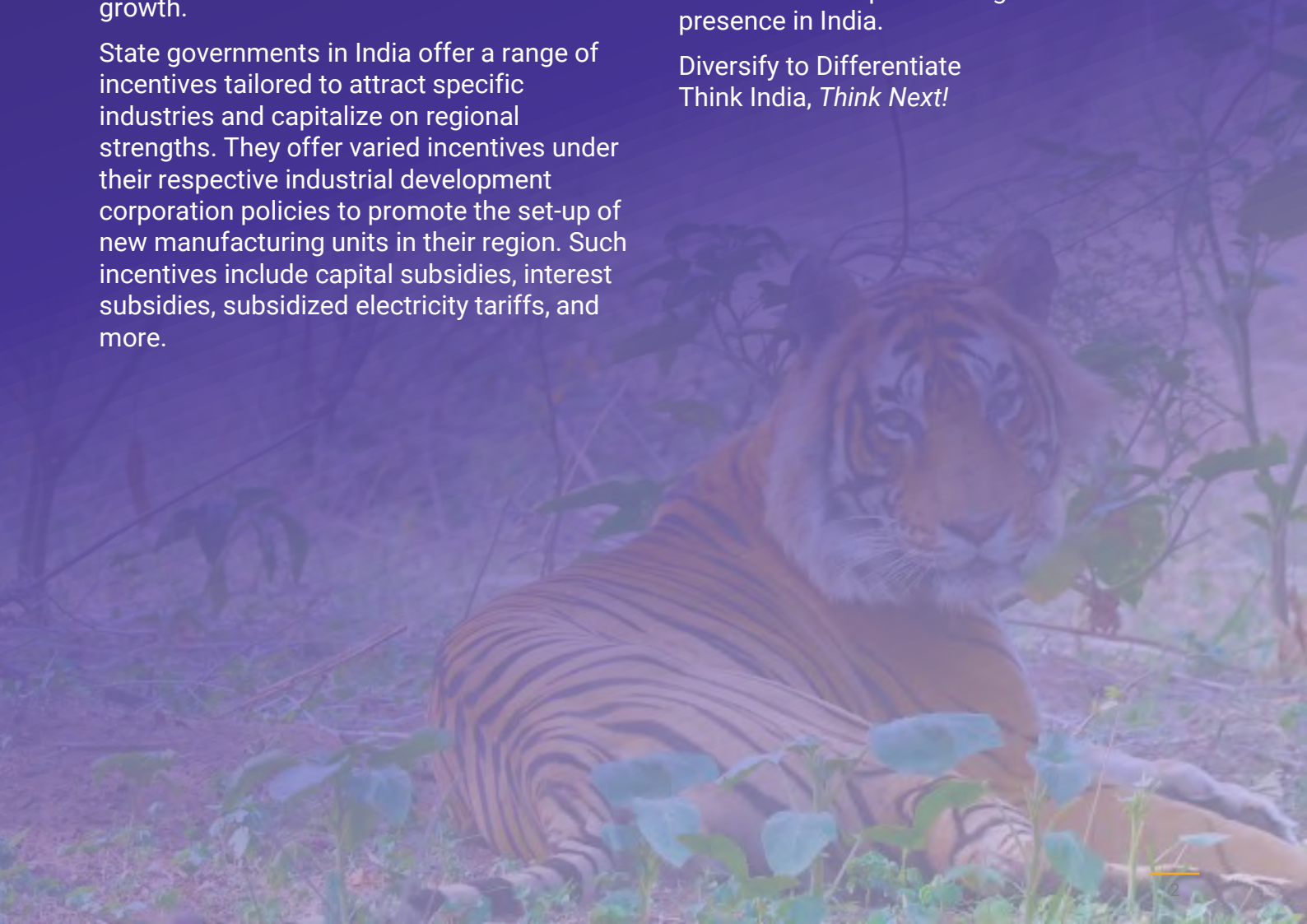
India's push for local manufacturing is evidenced by the various government incentives offered to attract increased investment. With its dynamic market and strategic geographic position, the world's largest democracy has long been a magnet for global investments. In recent years, the Indian government, both at the central and state levels, has launched several initiatives and incentives to attract greenfield set-ups. These policies are designed to boost industrial growth, create jobs, and accelerate economic development. The range of incentives, from financial benefits to infrastructure development and regulatory simplification, is aimed at making India a global manufacturing hub. As companies worldwide look to diversify their manufacturing bases, India stands out as a promising destination with its comprehensive and strategic approach to attracting investment and boosting industrial growth.

State governments in India offer a range of incentives tailored to attract specific industries and capitalize on regional strengths. They offer varied incentives under their respective industrial development corporation policies to promote the set-up of new manufacturing units in their region. Such incentives include capital subsidies, interest subsidies, subsidized electricity tariffs, and more.

The purpose of such incentive schemes is to attract investments and enable infrastructure development, generate employment, develop focus sectors, and largely facilitate overall economic development. These efforts are critical to India's vision of becoming a USD 3 trillion economy and enhancing its position in the global market.

Our publication covers the various incentives offered by the central and state governments today that have helped position India as an attractive destination for manufacturing and investment. It covers information about incentives offered by leading states in India for foreign direct investment under their respective industrial policies. It aims to educate potential investors with a clear understanding of the diverse range of benefits available across different regions in India and may help streamline the decision-making process for businesses looking to establish and expand their greenfield presence in India.

Diversify to Differentiate  
Think India, *Think Next!*





# Index



**ANDHRA  
PRADESH**

04



**GUJARAT**

11



**HARYANA**

18



**KARNATAKA**

24



**MAHARASHTRA**

32



**ODISHA**

39



**PUNJAB**

47



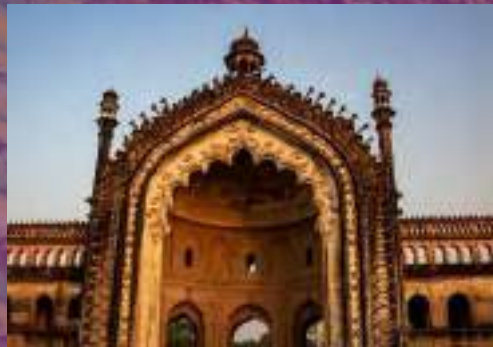
**RAJASTHAN**

55



**TAMIL NADU**

64



**UTTAR  
PRADESH**

71

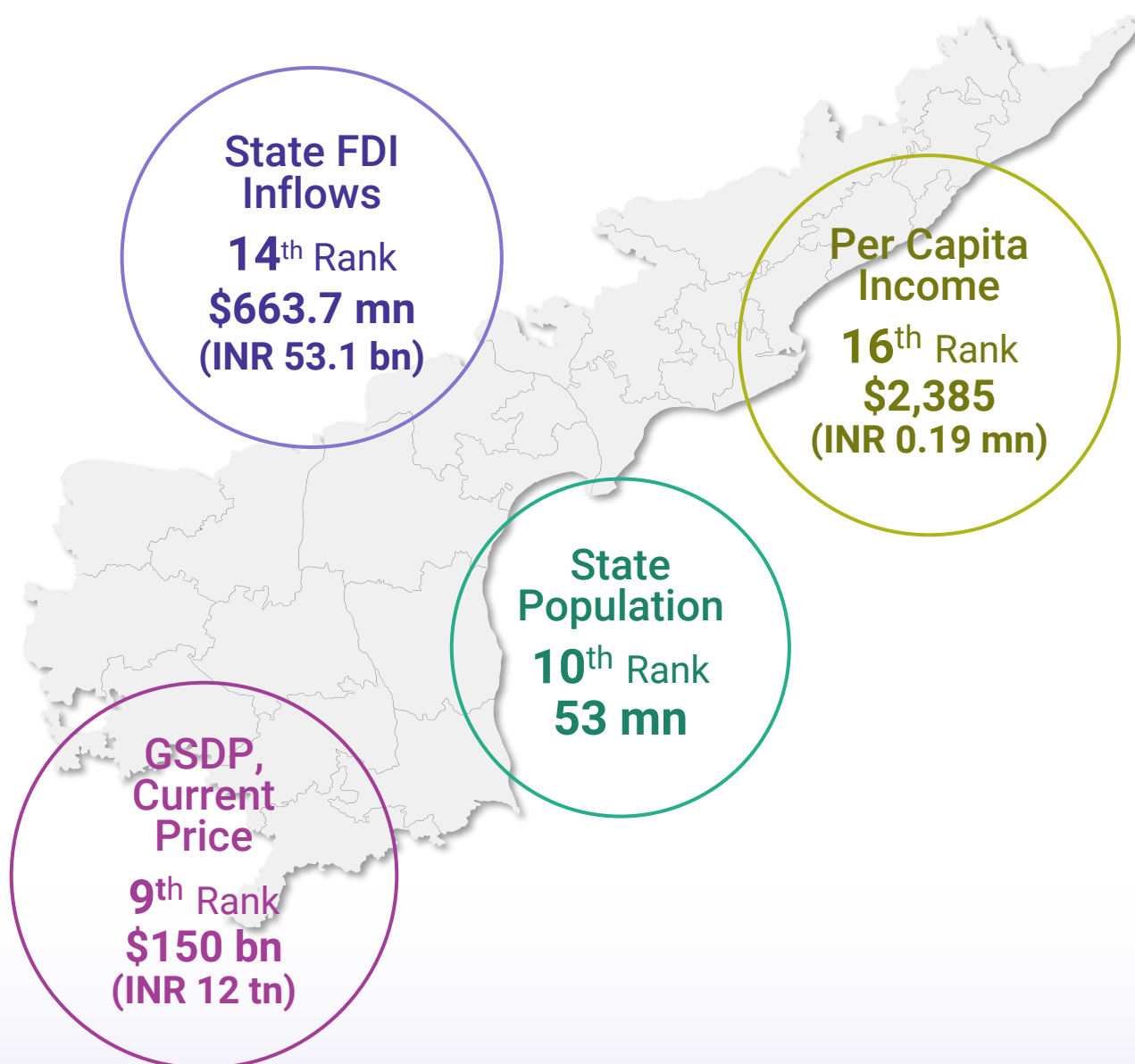




**Andhra Pradesh**

This document covers information about incentives offered by **Andhra Pradesh** under the '**Industrial Development Policy 2023-27**'.

## Key Statistics | Andhra Pradesh



October 2019 to September 2022

2021-22

2020-21

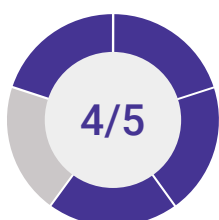
2022

## Policy Overview

Andhra Pradesh aims to achieve a minimum of 30% contribution by industry in the State GDP, promote port-led industrial development, develop a world-class industrial eco-system and create employment generation opportunities. Thus, the Andhra Pradesh Government has released '**Industrial Development Policy 2023-27**', valid

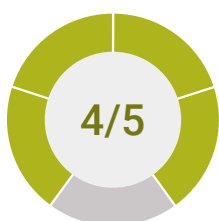
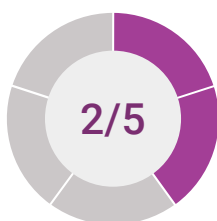
from 1 April 2023 to 31 March 2027. The policy focuses on enhancing the position of the state as a preferred destination for global investment and promoting growth of domestic enterprises thereby contributing to the state's overall economic development.

## Nexdigm Ratings and Observations



**Policy Structure**

**Incentive Range & Quantum**



**Investor Facilitation**

**Level Of Digitization**



- The policy places a special emphasis on the MSME sector and offers multiple incentives with tailor-made incentives available to Mega & Ultra-Mega industries.
- The policy grants incentives to 9 select service sectors (Micro and Small) notified by the State Level Committee (covered in Appendix 1).
- Specific policy measures such as the establishment of 'Entrepreneurship Clubs' and 'Incubation Centers' on an experimental basis (to be scaled up later) are envisaged to enhance the start-up ecosystem.
- To retain leadership in the Ease of Doing Business ranking, the Andhra Pradesh Government is repositioning the 'Single Desk Portal' to facilitate time-bound clearances for investments and the 'YSR AP ONE' program for providing end-to-end service support to investors.
- The policy focuses on allotment of land by the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for industrial purposes within a period of 21 days upon receipt of applications.
- The Andhra Pradesh Government has also introduced a 'Fast-track Clearance System' for Large, Mega, and Ultra-Mega projects wherein all clearances shall be provided within 21 days from the date of application.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*

# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment which has been briefly tabulated below:

Industry	Investment in Eligible Fixed Assets (EFA)
Micro	Investment in Plant & Machinery or Equipment up to INR 10 mn and turnover up to INR 50 mn
Small	Investment in Plant & Machinery or Equipment up to INR 100 mn and turnover up to INR 500 mn
Medium	Investment in Plant & Machinery or Equipment up to INR 500 mn and turnover up to INR 2.5 bn
Large	Investment in Plant & Machinery between INR 500 mn and INR 10 bn with an eligible investment period of 3 years
Mega	Investment in Plant & Machinery between INR 10 bn and INR 30 bn with employment above 1,000 persons along with an eligible investment period of 4 years
Ultra-Mega	Investment in Plant & Machinery greater than INR 30 bn with employment above 3,000 persons along with an eligible investment period of 5 years

## Region Classification

Regions in Andhra Pradesh, for the purpose of the scheme, are classified under different categories based on the development stage of such regions. This promotes investments with relatively higher incentives in developing or underdeveloped regions for the balanced growth of Andhra Pradesh. The classification is tabulated briefly below:

Category	Status Of Industrial Development	Districts Covered
I	Less Industrialized	Anantapuramu, Annamayya, Bapatla, Dr. B.R. Ambedkar Konsasema, Kurnool, Krishna, Nandyal, Parvatipuram Manyam, Srikakulam, Y.S.R. Kadapa, Alluri Sitharama Raju Paderu
II	Moderately Industrialized	Chittor, East Godavari, West Godavari, Eluru, Guntur, Kakinada, N.T.R. Palnadu, Prakasam, SPSR Nellore, Sri. Sathya Sai, Vizianagaram
III	Highly Industrialized	Anakapalli, Tirupati, Visakhapatnam

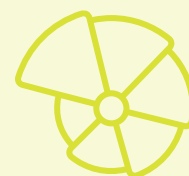
## Thrust Sectors

Every state encourages select sectors based on its competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme.

Sectors identified under this policy are mentioned below:

- Chemicals & Petrochemicals
- Pharmaceuticals & Bulk Drugs
- Textiles & Apparels
- Agro & Food Processing
- Renewable Energy Components Manufacturing
- Automobiles & Auto Components
- Electronics & IT
- Medical Devices

- Defence & Aerospace
- Machinery & Equipment
- Engineering
- Futuristic Segments of Industry including Industry 4.0 Manufacturing, Biotechnology, Green Hydrogen, & Electric Vehicles



## Major Incentives

Several incentives are provided to industries based on their investment thresholds in Andhra Pradesh. The below table covers a range of incentives provided to enterprises basis the classification of industries:

Particulars	MSME	Large	Mega & Ultra-Mega
Investment Subsidy + SGST Reimbursement	<p><b>Micro and Small</b> 15% of FCI* limited to INR 2 mn <b>and</b> 100% net SGST reimbursement for 5 years</p> <p><b>Medium</b> 15% of FCI limited to INR 25 mn in 5 equal annual instalments <b>or</b> 50% net SGST reimbursement for 5 years</p>	100% net SGST reimbursement for 5 years up to 50-100% of FCI (excluding land cost) subject to regional classification (Category I, II, or III)	Tailor-made Incentives
Interest Subsidy	<p><b>Micro and Small</b> 3% p.a. limited to INR 2.5 mn for 5 years</p>	-	
Stamp Duty Reimbursement	<p><b>Micro and Small</b> 100% for 5 years</p>	-	
Electricity Duty Subsidy	<p><b>Micro and Small</b> INR 1 per unit for 5 years</p>	-	

\*FCI: Fixed Cost of Investment (excluding land)

The total incentives for any company will be restricted to 100% of FCI (excluding land cost) and limited to 20% in each of the 5 years



## Additional Key Incentives

Some other incentives provided under the scheme are briefly listed below:

### MSMEs

Up to 75% reimbursement of IP acquisition cost, 50% reimbursement of technology upgradation & acquisition cost, 100% reimbursement of quality certification cost, and 100% reimbursement of land conversion charges.

### Service Sectors

(as covered under Appendix 1)

Service sectors falling under Micro & Small industries will also be eligible for a capital subsidy of 15% of FCI limited to INR 2 million.

### Anchor Units

These units will be provided with requisite land for the project at 25% of the land price in case of APIIC (Andhra Pradesh Industrial Infrastructure Corporation) land. An Anchor Unit is defined as the first and leading investor in the designated industrial park whose brand value and potential for backward/forward linkages shall stimulate further investment in that industrial park/industrial area. The Anchor Unit shall bring a minimum investment of INR 5,000 million or employ more than 1,000 persons while promoting at least 5 downstream/upstream industries.

### Special Early Bird Projects

50% reimbursement of the total infrastructure cost, limited to INR 10 million, 100% reimbursement on stamp duty and land conversion charges shall be provided to Special Early Bird Projects (excluding MSME) who would establish their base in the state by September 2023.

### Private MSME Parks/Platted Factory Complexes

Special incentives shall be provided to Private MSME Parks/Platted Factory Complex which include reimbursement of total infrastructure cost, interest subsidy, stamp duty, and land conversion charges.

### R&D, Global Capacity Centers, and Testing Labs

Up to 50% reimbursement of the investment for the R&D center, Global Capability Centers, and Testing Labs.

## Logistics and Warehousing

100% Stamp duty reimbursement on land registration and up to 75% reimbursement on patent registration for Logistics & warehousing sectors .

### SC/ST Entrepreneurs

Additional incentives shall be provided to SC/ST entrepreneurs under 'YSR Jagananna Badugu Vikasam' .

## Other Key Policies

### Andhra Pradesh Logistic Policy 2022-2027

The policy envisages connecting and integrating different modes of transportation for seamless and efficient connectivity to save time and money through business-friendly processes and services. The financial incentives offered include 100% stamp duty reimbursement and 75% reimbursement on patent registration.

### Andhra Pradesh Tourism Policy 2020-2025

The policy aims to sustainably develop tourism through the development of luxury resorts and by providing world-class tourism 'products and experiences'. Reimbursement of 100% stamp duty, 100% SGST, and electricity charges are some of the key incentives of this policy.

### Andhra Pradesh Electronics Policy 2021-24

The policy aims to transform the Andhra Pradesh into a preferred investment destination for the electronics sector while focusing on backward integration of the manufacturing value chain, moving beyond assembly operations. The fiscal incentives include 100% stamp duty reimbursement, 100% SGST reimbursement along with a logistics subsidy of 25% reimbursement for domestic transportation costs.

## Appendix 1

Service Sector (Micro and Small) list eligible for incentives under the policy:

- Industrial/material testing laboratories/technical testing and analysis/hallmarking centers
- Iron scrap/plastic/paper/hay, etc. baling presses
- Auto servicing/repairing units, engineering machining workshops, common effluent treatment plants
- Packaging activities
- General engineering and fabrication works
- Refilling of medical oxygen containers
- Transportation and logistics management services including cold chain logistics services
- Industry related environmental services including hazardous and other waste disposal/management systems
- Industrial staff/workers' accommodation facilities

### Sources:

<https://www.apindustries.gov.in/>  
<https://www.investindia.gov.in/state/andhra-pradesh>  
<https://www.rbi.org.in>  
<https://apedb.gov.in/>  
<https://ap.gov.in/>

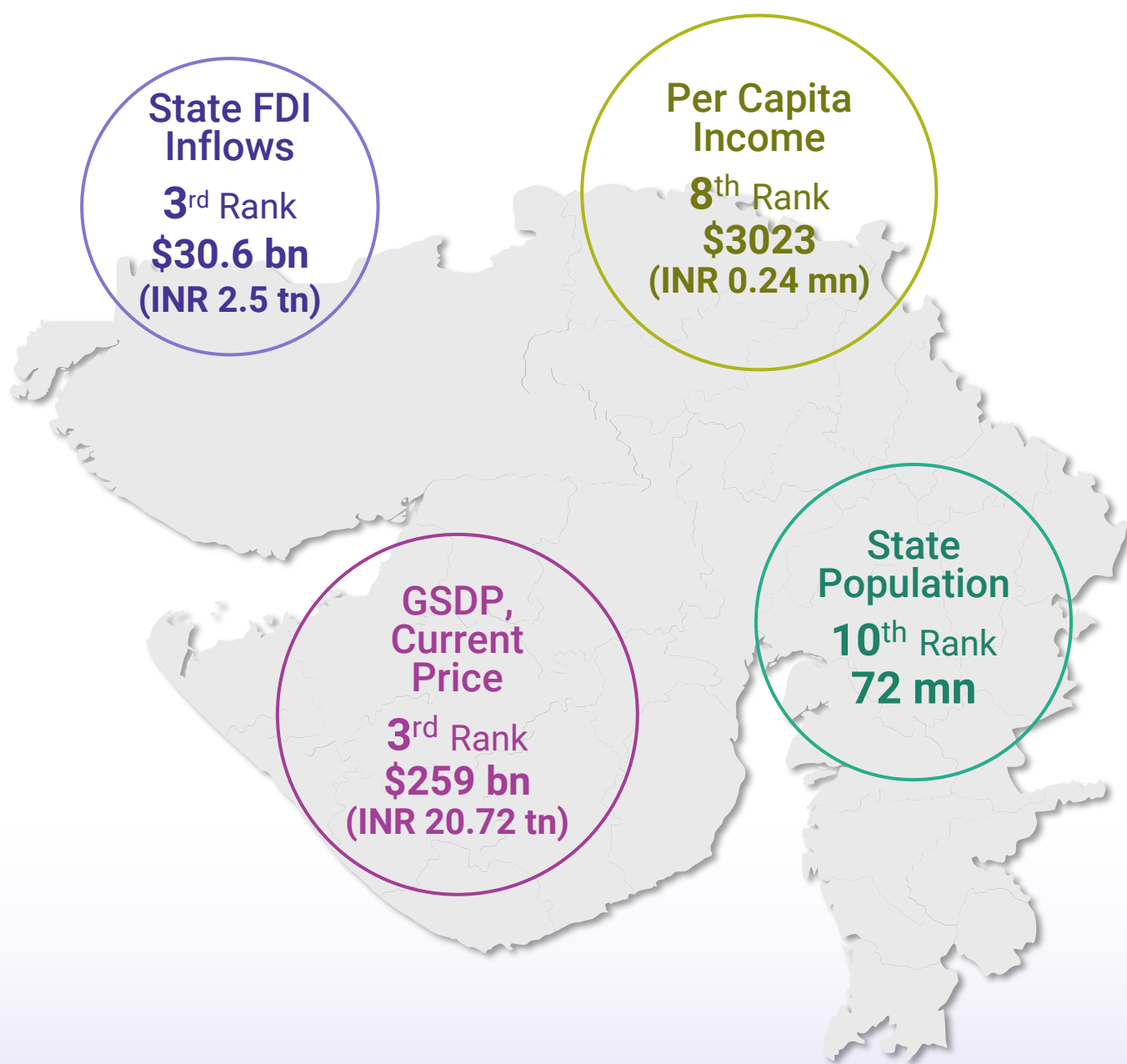




**Gujarat**

This document covers information about incentives offered by **Gujarat** under the 'Aatmanirbhar Gujarat Schemes 2022 for Assistance to Industries'.

## Key Statistics | Gujarat



October 2019 to September 2022

2021-22

2020-21

2022

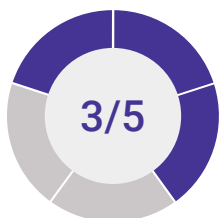


## Policy Overview

To facilitate the vision of Aatmanirbhar Bharat, the Gujarat State Government released '**Aatmanirbhar Gujarat Schemes 2022 for Assistance to Industries**', which is valid from 5 October 2022 to 4 October 2027 for all industries (with an additional five years for Mega Industries).

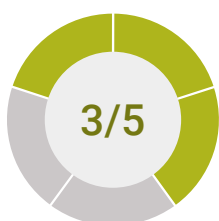
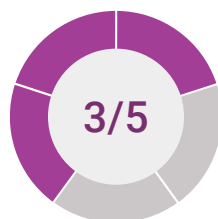
The policy aims to attract investment of ~USD 150 billion (~INR 12.5 trillion) by encouraging entrepreneurs to innovate and generate employment for ~1.5 million people in Gujarat by enhancing manufacturing opportunities.

## Nexdigm Ratings and Observations



Policy Structure

Incentive Range & Quantum



Investor Facilitation

Level Of Digitization



- 10 sectors (along with 23 sub-sectors) have been recognized as thrust manufacturing sectors in the policy. Sectors such as Gems & Jewelry and Textiles & Apparel have historically been areas of strength for Gujarat due to the easy availability of raw materials, associated manpower, state-of-the-art equipment, etc. Furthermore, the list also includes emerging sectors such as Mobility, Green Energy, Sustainability, etc. which are in line with global trends and are considered the future of manufacturing.
- State Goods and Services Tax (SGST) reimbursement is one of the major incentives in the scheme. Companies with a target market or supply chain of customers within Gujarat may be able to take the most advantage of the SGST reimbursement incentives.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*

# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment in plant and machinery which has been briefly tabulated below:

Industry	Investment in Plant & Machinery
Micro*	Investment up to INR 10 mn
Small*	Investment between INR 10 mn to INR 100 mn
Medium*	Investment between INR 100 mn to INR 500 mn
Large	Investment of more than INR 500 mn
Mega	<ul style="list-style-type: none"> <li>Investment of at least INR 25,000 mn</li> <li>Direct employment to a minimum of 2,500 people</li> <li>Belonging to one of the thrust sectors as per the scheme</li> </ul>

*\*Micro, Small & Medium Enterprises (MSME) must have also obtained acknowledgment/registration, as the case may be, from the appropriate authority*

## Region Classification

Regions in Gujarat, for the purpose of the scheme, are classified under different categories based on the development stage of such regions. This promotes investments with relatively higher incentives in developing or moderately developed regions for the balanced growth of Gujarat. The classification is tabulated briefly below:

Category 1	Comprising of industrially developing areas such as Dholera, Tarapur, etc.
Category 2	Comprising of moderately industrially developed areas such as Palanpur, Sihor, etc.
Category 3	Comprising of fully industrially developed areas such as Ahmedabad, Surat, etc.

## Thrust Sectors

Every state encourages select sectors based on its competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme.

Sectors identified under this policy are mentioned below:

- Green Energy Ecosystem

- Capital Equipment
  - Textiles & Apparel
  - Agro-processing
  - Mobility
  - Metals & Minerals
  - Healthcare
  - Sustainability
  - Gems & Jewelry
  - Chemicals
- (Only for Mega Industries)





## Major Incentives

Several incentives are provided to industries based on their investment thresholds and region of set-up in Gujarat. The below table covers a range of incentives depending on the set-up region (Category 1-3) provided to enterprises basis the classification of industries:

Incentive	MSME	Large	Thrust	Mega
Net SGST Reimbursement	80-100% of net SGST for 10 years subject to a cap of 5-7.5% of eFCI** p.a.	80-100% of net SGST for 10 years subject to a cap of 5-7.5% of eFCI p.a.	80-100% of net SGST for 10 years subject to a cap of 5.5-8% of eFCI p.a.	100% of net SGST subject to a cap of 0.9% of eFCI p.a. for 20 years and 100% of input SGST paid on capital goods
Interest Subsidy on Term Loan*	Upto 5-7% subject to a cap of INR 2.5-3.5 million p.a. for 5-7 years	Upto 7% subject to a cap of 1% of eFCI p.a. for 6-10 years	Upto 7% subject to a cap of 1-1.2% of eFCI p.a. for 8-10 years	Upto 7% subject to a cap of 1.2% of eFCI p.a. for 10 years
Capital Investment Subsidy on term loan	10-25% subject to a cap of INR 1-3.5mn (Only micro enterprises)	-	-	-
Stamp Duty & Registration Fees Reimbursement	-	-	-	100% reimbursement for purchase/lease of land
Employees' Provident Fund (EPF)	100% reimbursement of employer's contribution to EPF subject to INR 1,800 per month per employee (whichever is lower) for a period of 10 years			

\* In any case, eligible enterprises have to bear a minimum interest rate of 2% on Term Loans

\*\*eFCI: Eligible Fixed Capital Investment includes investments made in plant & machinery, new building, project-related infrastructure and other constructions. It excludes land & land development cost, working capital, indigenous second-hand plant and machinery, etc.

## Additional Key Incentives

Some other common incentives provided under the scheme are briefly listed below:

### MSMEs

- Financial support in ZED (Zero Effect Zero Defect) Certification and assistance in patent registration, quality certification, technology acquisition, raising capital, etc.
- 1% additional interest subsidy to SC/ST entrepreneurs/physically challenged entrepreneurs'/women entrepreneurs/start-ups/young entrepreneurs below the age of 35 in the manufacturing sector.
- The Service Sector, as covered in Appendix 1, will also be eligible for the above mentioned 'Interest Subsidy on Term Loan' on new machinery, equipment and furniture/fixtures (except land and building).

### Electricity Duty

Exemption under the provisions of the Gujarat Electricity Act, 2003

## Other Key Policies

### Gujarat Electronics Policy 2022-28

The policy aims to strengthen the electronics ecosystem in Gujarat and develop robust electronics manufacturing infrastructure by offering fiscal incentives such as capital subsidy, 100% reimbursement on stamp duty, registration fees, and logistics subsidy.

### Gujarat Integrated Logistics and Logistics Parks Policy 2021

The policy aims to facilitate and develop an integrated logistics ecosystem in Gujarat and provides various fiscal and non-fiscal benefits under the scheme. The key benefits include 25% subsidy on FCI for the development of logistic facilities, 100% stamp duty reimbursement, 100% exemption of electrical duty, and patent assistance.

### Gujarat State Electrical Vehicle Policy 2021

The policy encourages the development of a manufacturing hub for electric vehicles and equipment by providing various incentives. Incentives are in the form of 25% capital subsidy on equipment and machinery along with a subsidy on the set-up of charging stations.

### Gujarat Semi-Conductor Policy 2022-27

The policy promotes the electronics manufacturing ecosystem by providing fiscal and non-fiscal incentives to the semi-conductor sector. Incentives include 75% subsidy on land procurement as well as full reimbursement of stamp duty and registration fees.

### Assistance to Private Developers for developing Readymade Sheds in Mini Estates

Eligible private developers will be given financial assistance amounting to approximately 50% of the total project cost, including land, building, and other infrastructure facilities.

## Appendix 1

List of services within the Service Sector eligible for incentives

- Transport and Logistics Services, Logistics Facilities such as Container Freight Station Operators/Warehouses/Cold Storages, etc.
- Material Testing Centers
- Start-ups and Incubation Centers
- Hallmark Certification Centers
- Technical Testing and Analysis Servicing
- Maintenance and Repair of Machineries and Equipments
- Repair of Computers/Communication and Electronics Equipments/Household Goods
- Maintenance and Repair of Utility Projects
- Packaging Services
- Industrial Reuse/Disposal Services
- Apparel/Cutting & Stitching job work (other than Retail Tailoring)
- Printing, Scanning, Digitalization, and Lamination
- Construction of Weigh Bridges
- Color Labs
- Steam and Air-conditioning Supply
- Environmental Services, Waste Collection, Treatment, and Disposal activities
- Electrical, Plumbing, and other installation activities
- Maintenance and Repair of Motor Vehicles
- Audio Visual Services, Motion Pictures, Video and Television Production, Sound Recording and Music Publishing activities
- Activities of Internet Access by the Operator of the Wireless/Satellite Infrastructure
- Web Hosting activities
- Financial Services
- Health Services
- Construction-related Engineering Services
- Specialized Design Activities - Fashion Design related to Textile/Apparel/Jewelry/Furniture/Fashion Goods/Graphic Design, etc.

### Sources:

<https://www.investindia.gov.in/state/gujarat>  
<https://dpiit.gov.in/publications/fdi-statistics>  
<https://www.rbi.org.in>  
<https://msmec.gujarat.gov.in/incentivescheme>  
<https://ic.gujarat.gov.in/incentive-schemes.aspx>  
<https://cmogujarat.gov.in/en/>

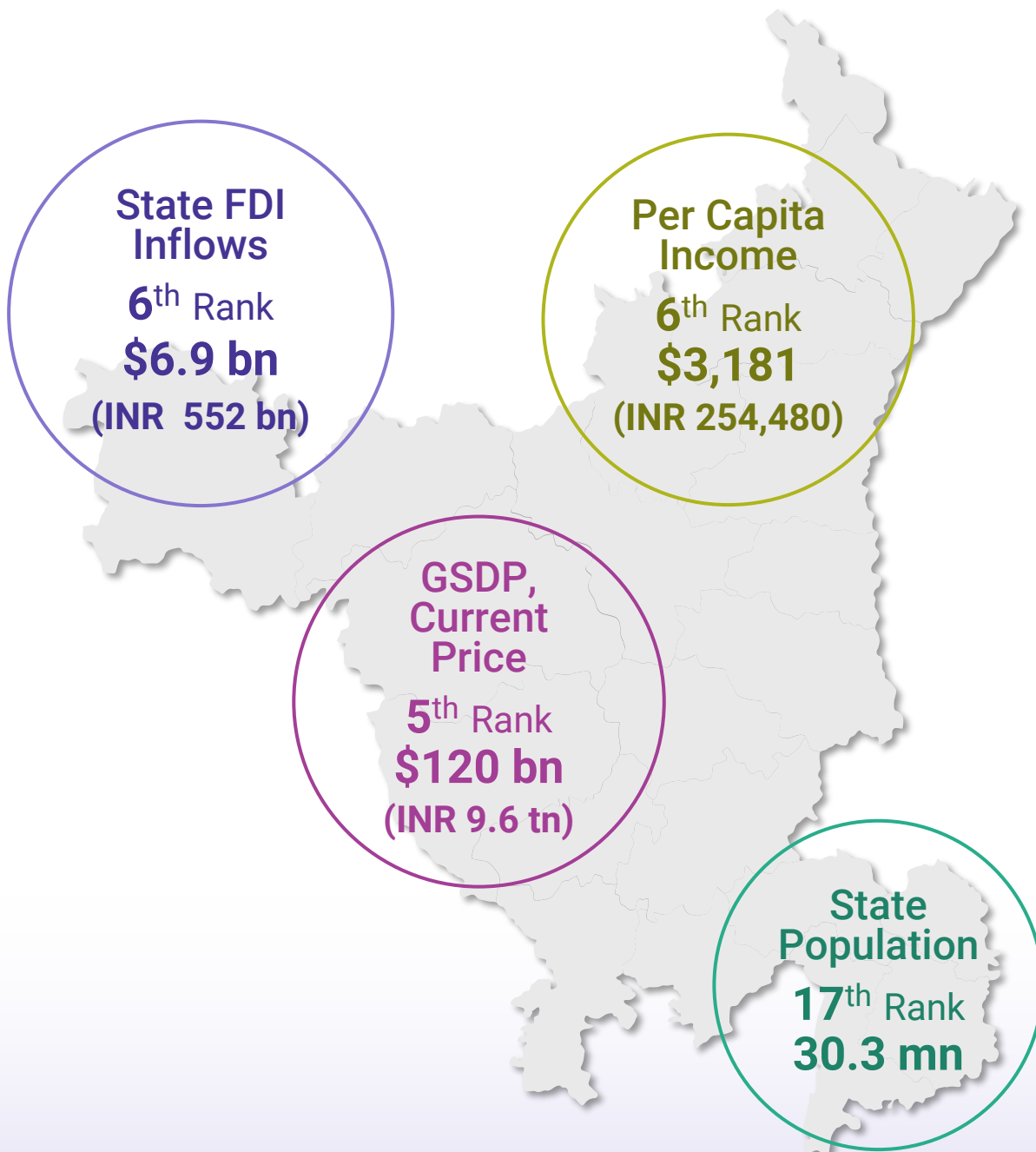




Haryana

This document covers information about incentives offered by **Haryana** under the '**Haryana Enterprises and Employment Policy, 2020**'.

## Key Statistics | Haryana



October 2019 to September 2022

2021-22

2020-21

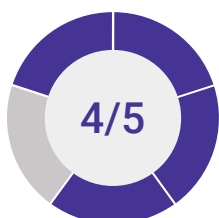
2022

## Policy Overview

To facilitate the vision of establishing Haryana as a competitive and favored investment destination, and focus on investment promotion, the government of Haryana has released '**Haryana Enterprises and Employment Policy, 2020**', valid from 1 January 2021 to 31 December 2025 for all industries.

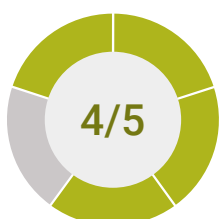
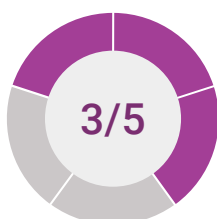
The policy aims to attract investment of ~USD 12.5 bn (~INR 1 trillion) by encouraging entrepreneurs to innovate and generate employment for ~.5 mn people in Haryana by enhancing manufacturing opportunities.

## Nexdigm Ratings and Observations



**Policy Structure**

**Incentive Range & Quantum**



**Investor Facilitation**

**Level Of Digitization**



- The new industrial policy is framed to attract manufacturers to set up their manufacturing units, especially in the developing districts of the state, and higher incentives shall be provided for investment in B, C, and D blocks (elaborated on next page).
- The policy places a special emphasis on the development of the MSME sector and its business growth. The state has framed several attractive incentive schemes for the MSME sector.
- State Goods and Services Tax (SGST) reimbursement is one of the major incentives provided under the scheme. Thus, companies with a target market or supply chain of customers within Haryana may be able to take most advantage of the SGST reimbursement incentive.
- The state offers attractive incentives to encourage rapid industrialization in 'Thrust' sectors. Thrust sectors will be supported through enhanced fiscal support, infrastructure, and other strategic interventions for growth.
- Incentives are also applicable to focus service sectors such as IT & ITeS, Logistics, Retail and Warehousing, R&D, Healthcare, Education, and Tourism.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*



# Policy Highlights

## Industry Classification

Enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment in plant and machinery, which have been tabulated briefly below:

Industry	Fixed Capital Investment (FCI) in Plant & Machinery
Micro	Investment in Plant & Machinery up to INR 10 mn and turnover up to INR 50 mn
Small	Investment in Plant & Machinery up to INR 100 mn and turnover up to INR 500 mn
Medium	Investment in Plant & Machinery up to INR 500 mn and turnover up to INR 2,500 mn
Large	Investment in Plant & Machinery greater than INR 500 mn and turnover greater than INR 2,500 mn
Mega	Investment in Plant & Machinery greater than INR 2,000 mn in B Block, INR 1,000 mn in C Block and INR 750 mn in D Block
Ultra-Mega	Investment in Plant & Machinery greater than INR 60,000 mn in A Block, INR 45,000 mn in B Block, INR 30,000 mn in C Block and INR 15,000 mn in D Block

## Region Classification

In order to ensure balanced regional growth, Haryana has been divided into four categories of blocks based on the level of industrialization, level of socio-economic development, and locational advantage. The classification is tabulated briefly below:

Block 'A'	Comprising of industrially developed areas, such as Faridabad, Gurugram, Panipat, Rewari, Sonapat, etc.
Block 'B'	Comprising of the areas of intermediate development such as Sohna, Karnal, Rohtak, etc.
Block 'C'	Comprising industrially-backward areas such as Fatehabad, Kurukshetra, etc.
Block 'D'	Comprising of most industrially-backward areas such as Bhiwani, Hisar, etc.

## Thrust Sectors

Every state encourages select sectors based on its competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme.

Sectors identified under this policy are mentioned below:

- Auto, Auto Components & Light Engineering
- Agro-based, Food Processing & Allied Industries
- Textiles & Apparel
- Defence & Aerospace Manufacturing
- Pharmaceuticals & Medical Devices
- Chemicals & Petrochemicals
- Large Scale Energy & Data Storage
- Electronics Systems



## Major Incentives

Several incentives are provided to industries based on their investment thresholds and region of set-up in Haryana. The below table covers a range of incentives depending on the set-up region (Block B to Block D) provided to enterprises basis the classification of industries:

Incentive	MSME	Large	Mega	Thrust
Investment Subsidy in lieu of Net SGST	50-75% for the first 5-10 years; 25-35% for next 3 years subject to a cap of 100-150% of FCI	30-75% for the first 5-7 years; 15-35% for next 3 years subject to a cap of 100-125% of FCI	30-75% of net SGST for the first 5 years; 15-35% for next 3 years subject to a cap of 100-125% of FCI	50-100% for 7-10 years subject to a cap of 100-150% of FCI
Interest Subsidy on Term Loan	5-6% subject to a cap of INR 2 mn p.a. for 3-5 years	-	-	6-7% subject to a cap of INR 2 mn p.a. for 5-7 years (Only applicable to Micro & Small Enterprises)
Electricity Duty Exemption	100% for 7-12 years	100% for 5-10 years	100% for 5-10 years	100% for 10-20 years
Stamp Duty Reimbursement on Land Purchase	60-100%	60-100%	60-100%	80-100%
Power Tariff Subsidy	INR 2/unit up to a load of 30-40 kW (Applicable to Micro & Small Enterprises in 'C' and 'D' Block)	-	-	-

## Important Notes

- Industries setting up in 'A' Block are not eligible for any of the above incentives except for the Electronics System Design and Manufacturing (ESDM) sector, where 100% subsidy on Net SGST is provided for 5 years, subject to a cap of 100% of FCI
- Ultra-Mega Projects shall be offered a customized package of incentives by the Haryana Enterprise Promotion Board (HEPB) throughout the state on a case-to-case basis
- Mega Projects in 'B', 'C', and 'D' blocks having a potential of ancillarization or, Mega Projects in thrust sectors/helping in reducing carbon footprint/generating intensive employment in 'C' and 'D' Blocks shall be offered additional incentives on the basis of a Cost-Benefit Analysis



## Additional Key Incentives

Some other common incentives provided under the scheme are briefly listed below:

### Services Sector

Fiscal incentives such as 50% of Net SGST, 50-75% of Electricity Duty Exemption, and 30-50% of Refund of Stamp Duty shall be offered to identified service sectors.

### Support to Start-Ups

To promote start-ups in Haryana, financial assistance in the form of seed grant up to INR 1 mn, lease rental subsidy up to INR 0.5 mn, interest subsidy up to 8% for 5 years, and 100% Net SGST reimbursement for 7 years shall be provided.

### Employment Generation Assistance

Subsidy up to INR 48,000 per year up to 7-10 years, subject to terms and conditions for employing persons belonging to Haryana.

### EDC Charges

60-100% exemption on External Development Charges (EDC)

### For MSMEs

- **Testing Equipment Subsidy:** 50% as subsidy or a maximum of INR 2 mn per year
- **Technology Acquisition:** 75% of cost for acquiring technology, up to a cap of INR 5 mn
- **Patent Registration Cost:** 100% of the actual expenses with a cap of INR 2.5 mn
- **ETP Set-up Subsidy:** Reimbursement of 50% of the ETP set-up cost, up to a cap of INR 5 mn
- **Other Incentives:** Incentives in the form of reimbursement or exemptions for Quality Certification, Market Development Assistance, Environment Compliance, Safety Compliance and Technology Upgradation subsidy, etc.

## Other Key Policies

### Haryana Electric Vehicle Policy

The policy aims at providing subsidies and incentives to the industries manufacturing electric vehicles and promoting electric mobility in Haryana.

### Haryana Aatmanirbhar Textile Policy 2022

With an intent to attract investments and generate large-scale employment opportunities across the textile value chain and promote the sunrise textile sectors, the state offers incentives to new as well as existing textile units.

### Haryana Enterprises and Employment Policy 2020

This policy places a special emphasis on the development of the MSME sector and its business growth.

### Haryana State Data Center Policy 2022

The policy provides fiscal benefits/subsidies and support to companies operating data centers.

### Haryana Gramin Udyogik Vikas Yojna

To promote rural industries, this scheme has been introduced for micro enterprises setting up in rural areas. Incentives such as capital subsidy @15% up to INR 2.5 mn, interest subsidy @7% for 7 years, DG set subsidy, etc. are available.

Sources:

<https://www.ibef.org/states/haryana>

<https://investharyana.in>

<https://www.bippharyana.in/>

<https://haryanaindustries.gov.in/>

<https://www.investindia.gov.in/state/haryana>

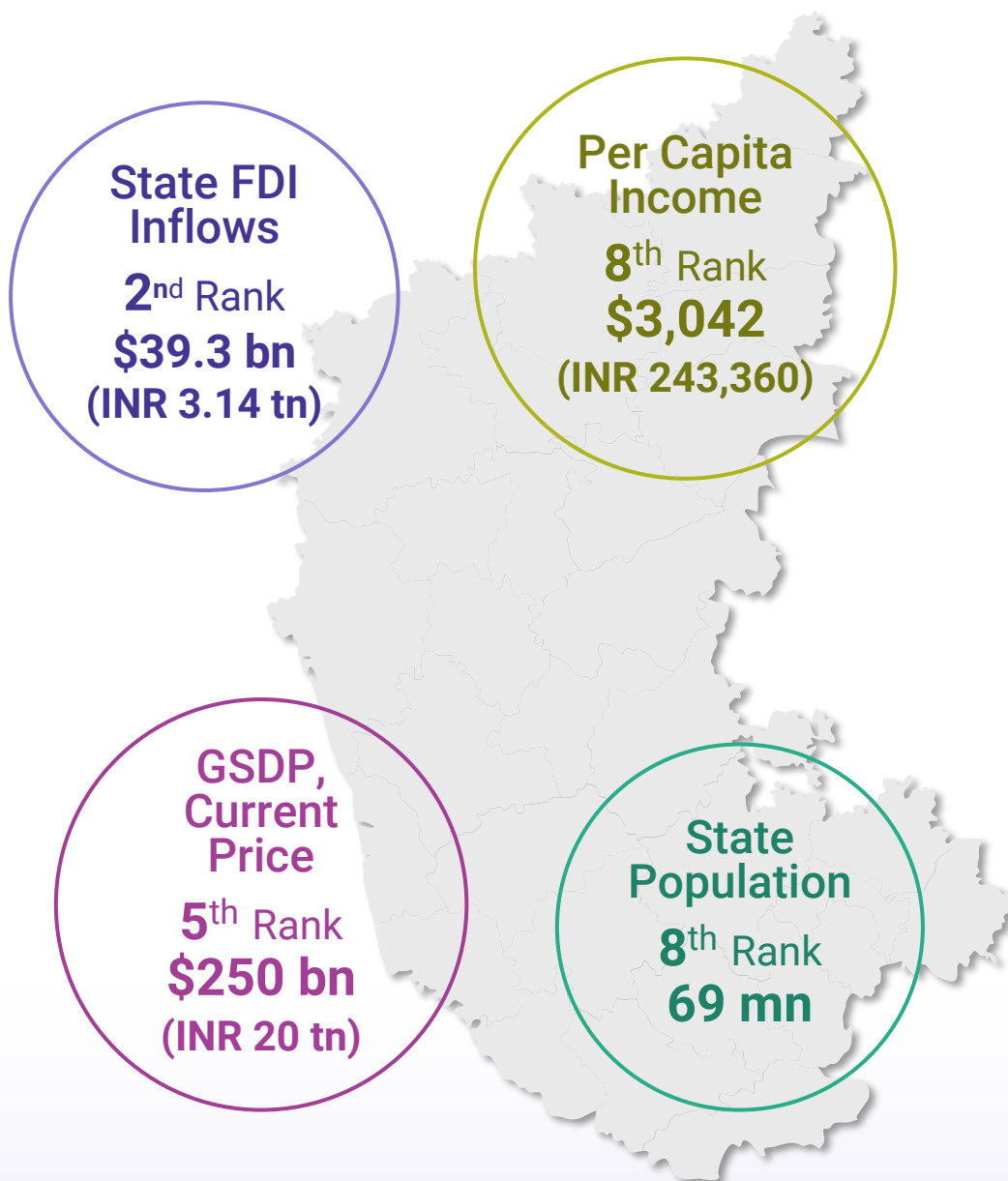




**Karnataka**

This document covers information about incentives offered by **Karnataka** under the '**Industrial Policy 2020-2025**'.

## Key Statistics | **Karnataka**



October 2019 to September 2022

2021-22

2020-21

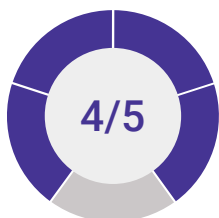
2022

## Policy Overview

To facilitate the vision of establishing Karnataka as a competitive and favored investment destination, alongside focusing on investment promotion, the Government of Karnataka has released '**Industrial Policy 2020-25**', valid from 13 August 2020 to 12 August 2025 for all manufacturing industries.

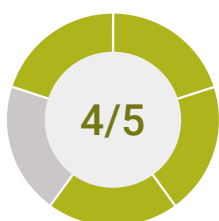
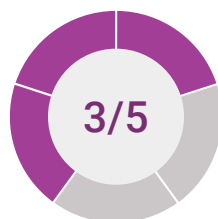
The policy aims to attract investment of ~USD 62 billion (~INR 5 trillion) by encouraging entrepreneurs to innovate and generate employment for ~2 million people in Karnataka by enhancing manufacturing opportunities.

## Nexdigm Ratings and Observations



### Policy Structure

### Incentive Range & Quantum



### Investor Facilitation

### State Machinery Digitization



- The industrial policy is framed to attract manufacturers to set up their manufacturing units, especially in developing regions (Zone 1 & 2) of the state, thereby providing higher incentives for such investments.
- This policy comes with notable fiscal, labor, and land reforms that focus on facilitating investments by providing fresh incentives and easing regulatory processes.
- Investment Promotion Subsidy is one of the major incentives provided under the scheme which is linked to the turnover and value of investment.
- The policy places a special emphasis on business growth and development of the Micro, Small, and Medium Enterprises (MSME) and also offers attractive incentives to this sector.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*



# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment which has been briefly tabulated below:

Industry	Investment in Plant & Machinery/Fixed Assets
Micro	Investment in Plant & Machinery or equipment up to INR 10 mn and turnover up to INR 50 mn
Small	Investment in Plant & Machinery or equipment up to INR 100 mn and turnover up to INR 500 mn
Medium	Investment in Plant & Machinery or equipment up to INR 500 mn and turnover up to INR 2.5 bn
Large	Investment in Fixed Assets greater than INR 500 mn up to INR 2.5 bn
Mega	Investment in Fixed Assets greater than INR 2.5 bn up to INR 5 bn
Ultra-Mega	Investment in Fixed Assets greater than INR 5 bn a up to INR 10 bn
Super-Mega	Investment in Fixed Assets greater than INR 10 bn

## Region Classification

In order to ensure regional balanced growth, Karnataka has been divided into three zones based on the level of industrialization, level of socio-economic development, and locational advantage. The classification is tabulated briefly below:

Zone 1	Comprising of industrially developing areas such as Dharwad, Gadag, Haveri, etc.
Zone 2	Comprising of moderately industrially developed areas such as Ramanagar, Hiriya, Malur, etc.
Zone 3	Comprising of fully industrially developed areas such as Bengaluru, Anekal, Yelahanka etc.

## Thrust Sectors

Every state encourages select sectors based on its competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme.

Sectors identified under this policy are mentioned below:

- Automobiles & Auto Components
- Pharmaceuticals & Medical Devices
- Engineering & Machine Tools
- Knowledge-based Industries
- Cement & Steel
- Sugar
- Logistics
- Industry 4.0 (Artificial Intelligence, 3D Printing, Robotics, Nanotechnology, etc.)
- Research & Development
- Intellectual Property Rights
- Renewable Energy
- Aerospace & Defense
- Electric Vehicles
- Healthcare & Wellness
- Higher Education
- Biofuels
- Cluster Development Initiatives
- Sustainable Industrialization
- Technology Adoption & Innovation



## Major Incentives

Several incentives are provided to industries based on their investment thresholds and region of set-up in Karnataka. The below table covers a range of incentives depending on the set-up region (**Zone 1 and Zone 2 only**) provided to enterprises basis the classification of industries:

Incentive	MSME	Large	Mega	Ultra Mega	Super Mega
Industrial Promotion Subsidy (IPS) *	<b>Micro</b> 25-30% of VFA*, limited between INR 2 mn and INR 2.5 mn  <b>Small</b> 20-25% of VFA, limited between INR 9 mn and 10 mn  <b>Medium</b> 2.5% of yearly turnover for 5-6 years, limited to 35-40% of VFA	2.25% of yearly turnover for 6-7 years, limited to 40-45% of VFA	2% of yearly turnover for 7-8 years, limited to 45-50% of VFA	1.85% of yearly turnover for 8-9 years, limited to 50-55% of VFA	1.75% of yearly turnover for 9-10 years, limited to 55-60% of VFA
Stamp Duty Exemption	100%	75-100%			
Electricity Tariff Tax Exemption	100% for a period of 6-7 years	-			
Power Subsidy	INR 1 per unit for a period of 3 years (for micro & small units)	-			

\*VFA is Value of Fixed Assets

## Important Notes

### Minimum direct employment ratio criteria for IPS:

Investment in VFA (INR)	Medium	Large	Mega	Ultra-Mega	Super-Mega
<b>Initial</b>	100 mn: 20	500 mn: 50	2.5 bn: 200	5 bn: 400	10 bn: 750
<b>Additional</b>	100 mn: 7	500 mn: 35	500 mn: 35	500 mn: 35	1 bn: 35

- All new industrial projects (except the MSME sector) are required to hire a minimum of 70% of the total workforce locally to avail the incentives mentioned above. Enterprises unable to provide employment as per the above criteria will have a lower IPS turnover percentage in proportion to the total employment provided
- **Micro & Small Enterprises** can avail IPS to the extent of 10% of their yearly turnover for five years, limited to the maximum extent as mentioned above
- The turnover based IPS is limited to either the specified period or VFA limits, whichever is reached earlier
- The above incentives are not available to manufacturing units situated in Zone 3

## Additional Key Incentives

Some other incentives provided under the scheme subject to the prescribed conditions are briefly listed below:

- Industries with a minimum investment of INR 1 bn and direct employment of 75 persons shall be eligible for an additional investment subsidy of INR 70-100 mn if it is set-up in areas with no existing industries (for Zone 1 and Zone 2)
- **Service Sector:** The above incentives and concessions shall also be available to identified service sectors except micro enterprises (covered in Appendix 1) approved at the state/district level single-window clearance committees
- Concessional registration charges at INR 1 per INR 1,000 (for Zone 1 and Zone 2)
- Up to 100% concession on land conversion fee (for Zone 1 and Zone 2)
- Up to 50% subsidy for establishment of Effluent Treatment Plants (ETPs), limited to INR 25 mn (for all Zones)
- Additional incentives will be available for companies focusing on exports, skill development and/or belonging to the thrust sectors
- **For MSMEs**
  - Up to 5% interest subsidy on technology upgradation loans, up to 25% subsidy on technology adoption cost, 50-75% subsidy for quality (ISO/BIS) certification cost, up to 50% subsidy for sustainability programs (rainwater harvesting, ETP set-up, water audit, recycling, etc.)
  - Additional incentives are proposed for special category entrepreneurs such as SC/ ST, women, minorities, physically-challenged, and ex-servicemen



## Other Key Policies

### Karnataka New Textile & Garment Policy 2019-2024

The policy envisages an ambitious investment outlay of INR 100 bn and aims to generate employment of 0.5 mn people. Major incentives are in the form of a 5% interest subsidy on term-loans for the first five years along with capital subsidy of 10-35% of fixed assets, stamp duty exemption, etc. subject to the prescribed conditions under the policy.

### Karnataka Aerospace Policy 2022-2027

This policy aims to position Karnataka as a vibrant aerospace hub of Asia and a globally-recognized aerospace destination by attracting investment of USD 6 bn and aims to generate employment to 60,000 people. Subject to the relevant conditions in the policy, incentives are provided in the form of IPS on the value of fixed assets, stamp duty exemption, reimbursement of land conversion fee, registration charges, etc.

### Karnataka Tourism Policy 2020-25

The policy aims to position Karnataka as the most preferred tourism destination that provides a safe and memorable experience for tourists through diverse high-quality tourism offerings. Major incentives available are in the form of capital investment subsidy, exemption on Motor Vehicle Tax, reimbursement of land conversion fee, etc. as per the conditions and terms laid out in the policy.

“Karnataka is one of the most progressive states in India and has innumerable opportunities for innovation and technological growth. It is one of the leading high-tech industrialized states and also one of the top recipients of Foreign Direct Investment (FDI) over the past three years. The Industrial Policy 2020-2025 aims to attract investment of ~INR 5 trillion and generate employment for ~2 million people in Karnataka by enhancing manufacturing opportunities.

Currently, Karnataka is the fourth-largest technology cluster and is home to the third largest start-up ecosystem worldwide. The Government has placed a special emphasis on thrust sectors focusing on state-of-the-art manufacturing for Automobiles, Electric Vehicles, Pharmaceuticals, Industry 4.0 (AI, Robotics, Nanotechnology, etc.), Research & Development, Renewable Energy, and Technology Adoption & Innovation. The industrial policy also provides multiple opportunities for business growth and development of the Micro, Small, and Medium Enterprises (MSMEs).”

### Dr Gunjan Krishna

Commissioner for Industrial Development and Director, Department of Industries & Commerce, Karnataka

## Appendix 1

List of service sectors eligible for incentives under Karnataka's Industrial Policy 2020-2025

- Powder coating/chrome plating/industrial electro plating/painting enterprises, industrial paintings engaged in job work
- Weigh bridges set up within the KIADB / KSSIDC industrial areas/estates
- Material/product testing laboratory
- Off-set printing, digital printing (excluding digital photo printing and flex printing)
- Common ETP
- Hazardous industrial waste management facility
- General engineering and fabrication
- Flour mill
- Logistic facilities supporting industries such as dry ports, cold storages, and free trade warehouse zones

### Sources:

<https://www.investindia.gov.in/state/karnataka>  
<https://dpiit.gov.in/publications/fdi-statistics>  
<https://www.rbi.org.in>  
<https://www.investkarnataka.co.in>  
<https://www.karnataka.com>



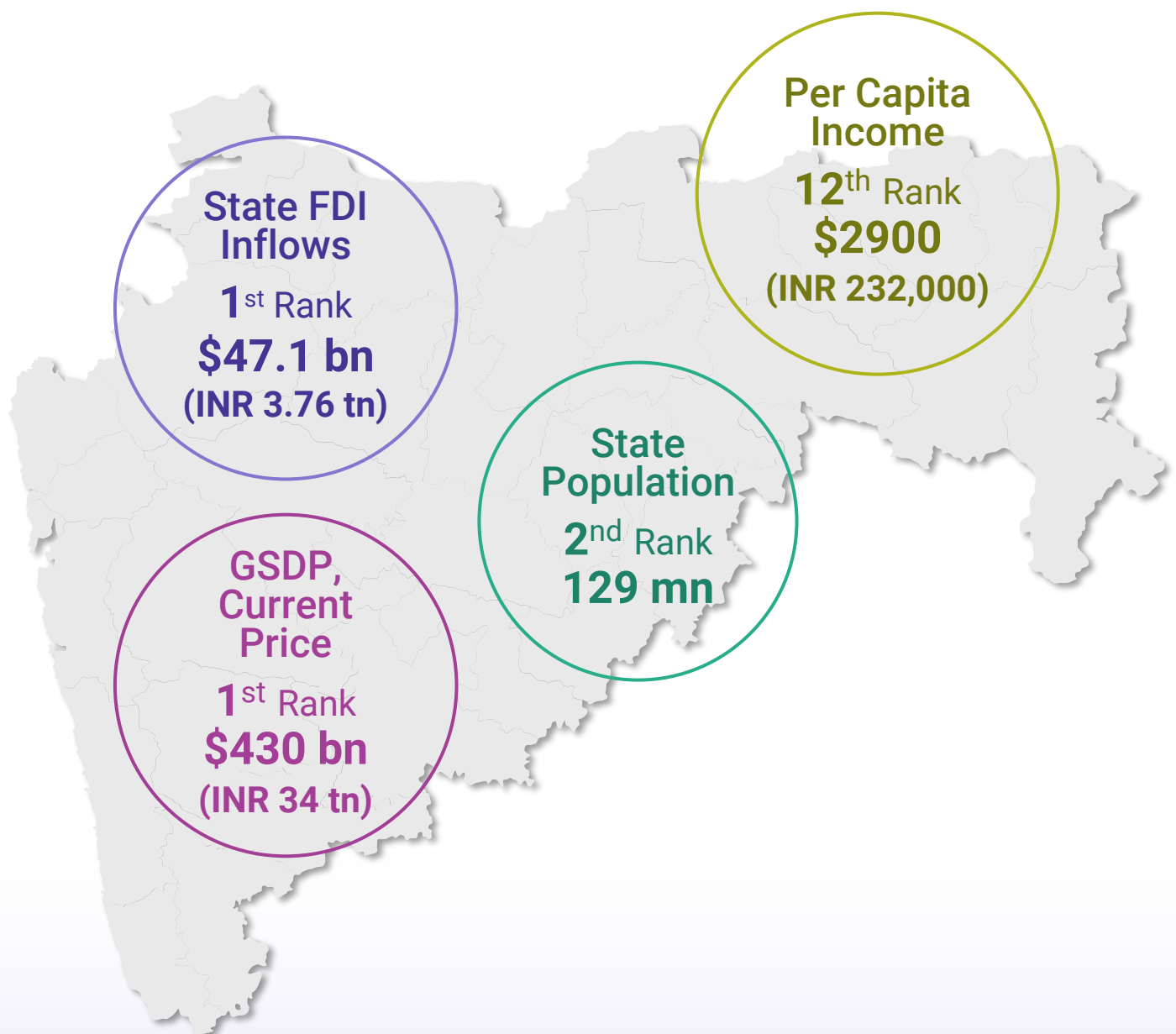


**Maharashtra**



This document covers information about incentives offered by **Maharashtra** under the **Maharashtra Industrial Policy 2019**.

## Key Statistics | Maharashtra



October 2019 to September 2022

2021-22

2020-21

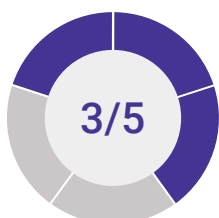
2022

## Policy Overview

The Maharashtra State Government released '**Maharashtra Industrial Policy, 2019**', which is valid from 1 April 2019 to 31 March 2024, with the intent to make Maharashtra a USD 1 trillion economy.

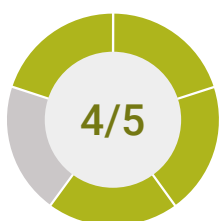
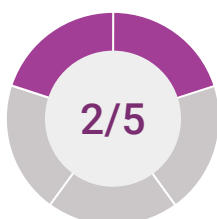
The policy aims to attract investment worth USD 120 billion (~INR 9.6 trillion) by 2023-24 and create employment opportunities for 4 million people by encouraging entrepreneurs to innovate and become job creators in Maharashtra by enhancing manufacturing opportunities.

## Nexdigm Ratings and Observations



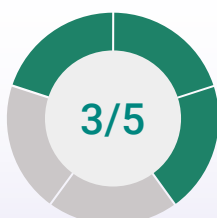
**Policy Structure**

**Incentive Range & Quantum**



**Investor Facilitation**

**Level Of Digitization**



- The policy supports the Start-Up ecosystem by providing the necessary infrastructure, incentivizing and facilitating an environment for entrepreneurs through handholding, mentoring, and providing them financial assistance.
- A single window system named "Maharashtra Industry, Trade and Investment Facilitation Cell (MAITRI)" was introduced by the government for all state-related licenses, permissions, etc.
- The policy does not offer any major incentive for units investing over INR 500 million but less than INR 750 million in Category A and B regions.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*

# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of Fixed Capital Investment (FCI), which have been briefly tabulated below:

Industry	Particulars	Area Classification (defined below)						
		A	B	C	D	D+	Specified Areas	No Industry Areas
Micro, Small & Medium Enterprises (MSME)	Maximum FCI (INR) AND	Up to 500 million						
	Turnover (INR)	Up to 2.5 billion						
	Incentive Eligibility Period (years)	-	7		10			
	Incentive Ceiling as % of FCI	-	30%	40%	50%	60%	80%	100%
Large Scale Industries (LSI)	Minimum FCI (INR) OR	7.5 billion		5 billion	2.5 billion	1.5 billion	1 billion	
	Minimum Direct Employment (no.)	1,000		750	500	400	300	250
Special LSI	Minimum FCI (INR)	-		More than 500 million and less than the FCI limit of LSI				
Special LSI and LSI	Incentive Eligibility Period (years)	7					9	
	Incentive Ceiling as % of FCI	25%		40%	60%	70%	80%	100%
Mega Projects	Minimum FCI (INR) OR	15 billion		10 billion	7.5 billion	5 billion	3.5 billion	2 billion
	Minimum Direct Employment (no.)	2,000		1,500	1,000	750	500	350
Ultra-Mega Projects	Minimum FCI (INR) OR	40 billion						
	Minimum Direct Employment (no.)	4,000						



# Policy Highlights

## Region Classification

Regions in the state, for the purpose of the scheme, are classified under different categories based on the development stage of such regions, thereby promoting investments with relatively higher incentives in developing or underdeveloped regions for the balanced growth of the entire state. The classification has been briefly tabulated below:

A	Denotes industrially developed areas such as Thane, Kalyan, etc.
B	Denotes areas where some industrial development has taken place but are less developed than the areas under Group A. These include areas such as Murbad, Dahanu, etc.
C	Denotes areas that are less developed than those covered under Group B such as Murud, Ratnagiri, etc.
D	Denotes the lesser-developed areas of the state not covered under Group A, B, or C such as Khed, Satara, etc.
D+	Denotes the least developed areas not covered under Group A, B, C, or D such as Jalna, Beed, etc.
Specified Areas	Vidharbha, Marathwada, Ratnagiri, Sindhudurg, and Dhule
No Industry Areas	<ul style="list-style-type: none"> <li>• <b>No Industry Districts:</b> Areas having no industries such as Hingoli and Gadchiroli</li> <li>• <b>Naxalism Affected Area:</b> Areas affected by naxalism such as Gondiya, Yawatmal, etc.</li> <li>• <b>Aspirational Districts:</b> Areas defined by the Government of India such as Washim, Gadchiroli, Osmanabad, and Nandurbar</li> </ul>

## Thrust Sectors

Every state encourages select sectors based on its competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme.

14 thrust sectors have been identified under this policy:

- Electric Vehicles (Manufacturing, Infrastructure & Servicing)
- Manufacturing of Biotechnology, Medical, & Diagnostic Devices
- Nuclear Power Plant Equipment Manufacturing
- Industry 4.0 (Artificial Intelligence, 3D Printing, Robotics, Nanotechnology, etc.)
- Information Technology (IT) & IT-enabled Services (ITeS)
- Integrated Data Center Parks (IDCP)
- Electronic Systems Design & Manufacturing and Semiconductor Fabrication
- Agro & Food Processing Units (Secondary & Tertiary Units)
- Logistics & Warehousing
- Sports & Gym Equipment Manufacturing
- Mineral/forest-based Industries
- Textile Machinery Manufacturing
- Aerospace & Defense Manufacturing
- Green Energy/Biofuel Production



## Major Incentives

Several incentives are provided to industries based on their investment thresholds and region of set-up in Maharashtra. The below table covers a range of incentives depending on the set-up region provided to enterprises basis classification of industries:

Incentive	MSME	Special LSI	LSI	Mega & Ultra-Mega
Industrial Promotion Subsidy (IPS) *	100% of Gross SGST (Excluding Region A)	40% of Net SGST (Excluding Region A & B)	50% of Gross SGST	Customized package of incentives will be provided by the High-Power Committee on a case-to-case basis
Exemption from Electricity Duty	100% Exemption (For A & B Region – Exemption available only to 100% Export Oriented Units (EOU) + IT/BT units for a period of 7 years)	-	100% Exemption (For A & B Region – Exemption available only to 100% Export Oriented Units (EOU) + IT/BT units for a period of 7 years)	
Stamp Duty Exemption (For acquiring land & term-loan purposes)	100% Exemption (For A & B Region, 75-100% exemption available only to IT /BT manufacturing units in IT & BT Parks)	-	100% Exemption (For A & B Region, 75-100% exemption available only to IT/BT manufacturing units in IT & BT Parks, 50% for other units only on first lease/conveyance deed)	
Power Tariff Subsidy	INR 0.5-1 per unit for a period of 3 years (Excluding Region A)	-	-	
Interest Subsidy	Up to 5% p.a. on term-loan (Not exceeding the bills paid for electricity consumed during the relevant year) (Excluding Region A)	-	-	

\*IPS in the form of State Goods and Services Tax (SGST) is applicable on the first sale of eligible products billed and delivered to the same entity within Maharashtra

## Important Notes

- The aggregate of all above incentives shall not exceed the ceiling specified as % of FCI and shall be available as per the eligibility period (years) unless otherwise specified
- LSI Units in thrust sectors shall get additional incentives
- The State Government shall be an equity partner of 9% through Maharashtra Vikrikar Rokhe Pradhikaran Limited (MVRPL) in large,

mega, and ultra projects in Maharashtra and projects with FCI more than INR 5 billion

- Additional incentives shall be provided to MSME and LSI units to promote quality competitiveness, Research & Development (R&D), technology upgradation, water and energy conservation, cleaner production measures, etc.



## Other Key Policies

### Electrical Vehicle and Related Infrastructure Policy 2018

Industries associated with commercial public EV charging stations will be eligible for 25% capital subsidy on equipment/machinery (limited up to INR 1 million per station).

### Logistics Parks Policy 2018

80% of total area notified as 'Logistic Park' should be used for providing logistic services, and up to 20% of the remaining area will be permitted for support services and common facilities.

### Electronics Policy 2016

This policy aims to create a globally competitive Electronics System Design and Manufacturing (ESDM) industry thereby creating huge employment opportunities.

### Textile Policy 2018

The policy focuses on processing, knitting, hosiery, and garmenting sectors and aims to double farmers' income by the year 2023 by strengthening the cotton, wool, and silk sectors.

### Retail Trade Policy 2016

The policy aims to uphold Maharashtra's leadership position in retail trade within the country and to further accelerate investment flow to underdeveloped regions of the state.

“ Maharashtra, a leading industrial state, has always taken progressive approach to bring in policy reforms, which are most of the times, first of its kind across India. Maharashtra adopted an ambitious goal of becoming first sub national economy of 1 Trillion-dollar size way back in year 2018 based on a FICCI report. Since then, state government has constantly brought in various sectoral policies aiming at attracting Investment not only from overseas but also from Domestic markets. State is also working on reviving many of its existing policies such as Electronics, Aerospace & Defence, Textiles to make sure that it would attract greater investment and create more employment in the state.”

**Deepak Mukhi**

Director  
FICCI

Sources:

<https://www.investindia.gov.in/state/maharashtra>

<https://dpiit.gov.in/publications/fdi-statistics>

<https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=21412>

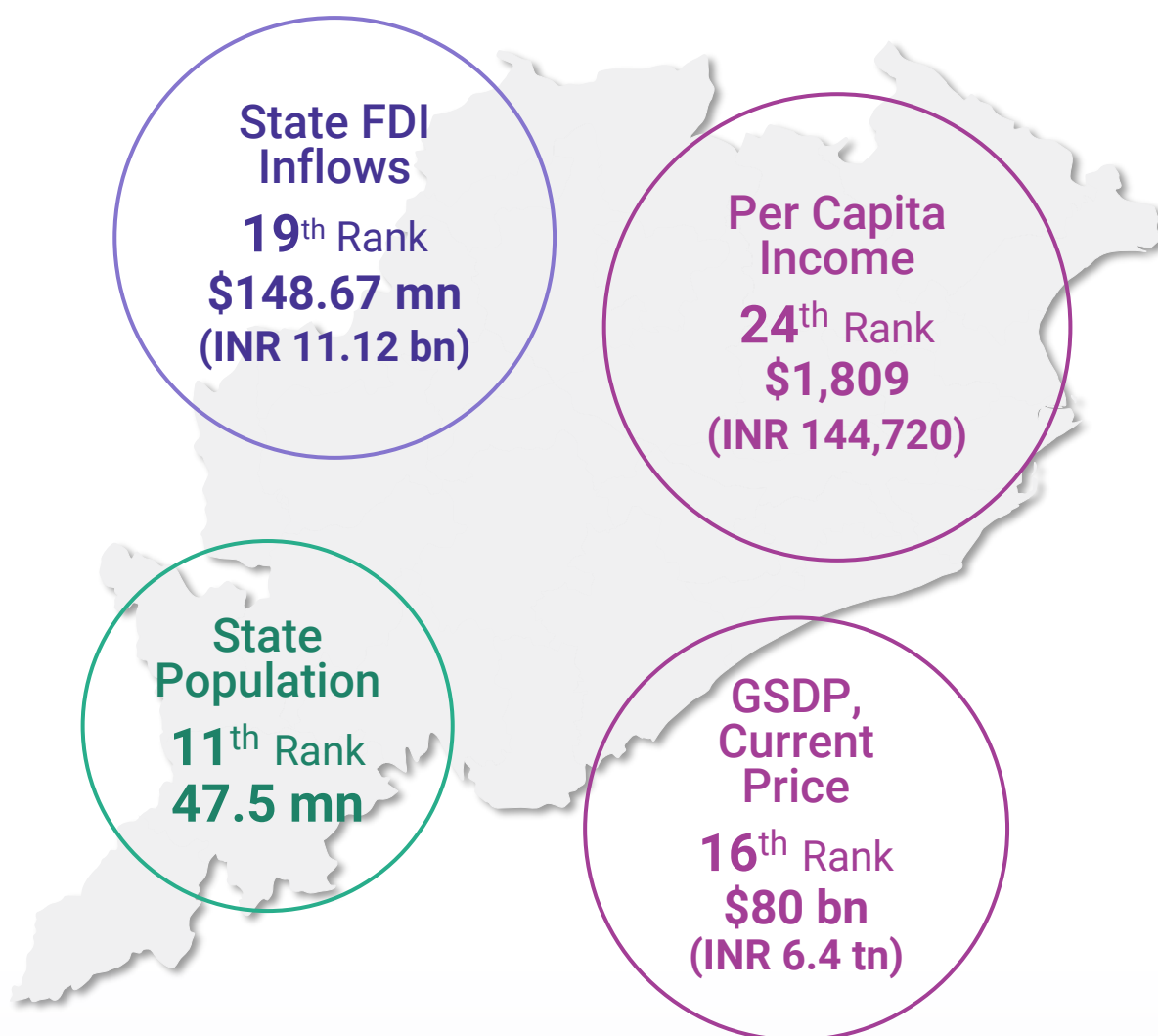




Odisha

This document covers information about incentives offered by **Odisha** under the 'Industrial Policy Resolution 2022'.

## Key Statistics | Odisha



October 2019 to September 2022

2021-22

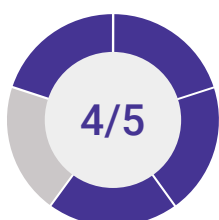
2022

## Policy Overview

The Odisha State Government released '**Industrial Policy Resolution 2022**', on November 2022 and this policy shall remain in force for a period of five years, unless substituted by another policy.

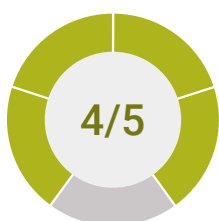
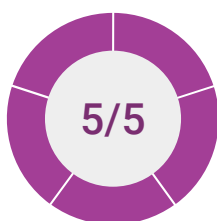
The policy has outlined a vision to position Odisha as a preferred investment destination by leveraging its natural and human resources as well as harnessing the power of modern technology, thus ensuring sustainable industrial growth and generation of large-scale employment opportunities.

## Nexdigm Ratings and Observations



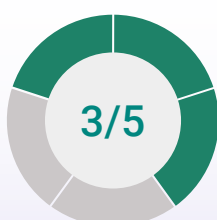
Policy Structure

Incentive Range & Quantum



Investor Facilitation

Level Of Digitization



- The policy targets the achievement of its objectives through four key pillars:
  - Investment promotion
  - Investment facilitation
  - Industrial infrastructure destination
  - Incentive framework
- The policy envisions to promote investments in priority sectors (Appendix 1) and thrust sectors
- Unlike other State incentive schemes, Odisha, through this policy, provides incentives to all eligible industries in priority and thrust sectors, regardless of their region of set-up (except for land rate concession subsidy) and the investment quantum
- Capital investment subsidy is one of the major incentives in the policy wherein 20-30% of the eligible plant and machinery cost will be reimbursed equally over a period of five years
- The policy has also outlined 25 industries under a 'negative sector' (Appendix 2) which shall neither be eligible for financial incentives, nor for allotment of land at concessional rates

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*

# Policy Highlights

## Industry Classification

Enterprises, for the purpose of the scheme, are classified under different categories, which has been briefly tabulated below:

Industry	Classification of Industries
Priority Sectors	Desirable sectors likely to generate significant employment opportunities and create avenues for further value addition in the state (Eligible for incentives, concessional industrial land rates, and investment facilitation)
Thrust Sectors	Desirable sectors dealing with new age technologies, products and services, and sectors likely to have maximum multiplier effect on the state's industrial ecosystem (Eligible for incentives, concessional industrial land rates, and investment facilitation)
Negative Sectors	Sectors not provided with financial incentives but supported with investment facilitation (Eligible for investment facilitation, not eligible for incentives and concessional industrial land rates)
Other Sectors	Sectors other than the three above, provided with investment facilitation and land at concessional industrial rates (Eligible for concessional industrial land rates and investment facilitation, not eligible for incentives)

## Region Classification

Regions in Odisha, for the purpose of the scheme, are classified under different categories based on the development stage of such regions. The classification is tabulated briefly below:

Category	Status Of Industrial Development
Zone-A	Urban areas under the jurisdiction of Bhubaneswar Municipal Corporation (BMC)
Zone-B	Urban areas under the jurisdiction of Development Authorities of Cuttack, Rourkela, Berhampur, Sambalpur, Paradeep, Puri, Angul, and Jharsuguda
Zone-C	Revenue sub-divisions of Bhubaneswar (except BMC area), Khurda, Angul, Cuttack, Jharsuguda, Panposh, Puri, and Sambalpur
Zone-D	Revenue sub-divisions of Athagarh, Balasore, Berhampur, Chhatrapur, Champua, Dhenkanal, Jagatsinghpur, Jajpur, Keonjhar, and Talcher
Zone-E	Revenue sub-divisions of Banki, Baripada, Bhadrak, Baragarh, Bolangir, Jeypore, Koraput, Rayagada, and Sundargarh
Zone-F	Revenue sub-divisions – Anandpur, Athamalik, Baliguda, Bamanghati, Bhanjanagar, Bhawanipatna, Birmaharajpur, Bonai, Boudh, Deogarh, Gunupur Dharmagarh, Hindol, Kamakshyanagar, Kaptipada, Kandhamala, Kendrapada, Kuchinda, Malkangiri, Nabrangpur, Nayagarh, Nilagiri, Nuapada, Padampur, Pallahara, Panchpir, Paralakhemundi, Patnagarh, Rairakhol, Sonapur, and Titlagarh



## Thrust Sectors

Every state encourages select sectors based on their competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme.

12 thrust sectors have been identified under this policy:

- Aerospace & Defence
- Automobiles & Auto-components
- Biotechnology, Pharmaceuticals, Bulk Drugs, & Medical Equipment
- Electronics System Design & Manufacturing (ESDM)
- Chemicals & Petrochemicals
- Green Energy Equipment
- Green Hydrogen & Green Ammonia
- Manufacturing in Aviation and Maintenance, Repair & Overhaul (MRO) facilities
- Mechanical & Electrical Capital Goods
- White Goods & Components
- Textiles, Technical Textiles, Apparel, Wearables, & Luggage
- Telecommunication Equipment
- Special Category of Industries considered equivalent to thrust sectors



## Major Incentives

The State Government is committed to providing facilitation support to all industries while providing competitive and best-in-class financial incentives to 'priority' and 'thrust sectors'. The below table covers a range of incentives provided to these sectors:

Particulars	Priority Sector	Thrust Sector
Capital Investment Subsidy*	20% capital investment subsidy on actual investment in plant & machinery disbursed equally over a period of 5 years	30% capital investment subsidy on actual investment in plant & machinery disbursed equally over a period of 5 years
Electricity Tariff Exemption	INR 2 per unit consumed for a period of 7 years	INR 2 per unit consumed for a period of 10 years (INR 3 per unit for 20 years for Green Hydrogen and Green Ammonia manufacturing units)
Electricity Duty Exemption	100% exemption for a period of 7 years	100% exemption for a period of 10 years (20 years for Green Hydrogen and Green Ammonia manufacturing units)
State Goods & Services Tax Reimbursement**	100% reimbursement of net SGST paid overall, limited to 200% of the cost of plant & machinery	
Land Rate Concession Subsidy***	Concessional land rates based on the region of set-up along with 100% stamp duty exemption	Concessional land rates based on the region of set-up along with 100% stamp duty exemption (New units creating direct employment for not less than 1000 state-domiciled people shall be eligible for land at 50% of the above concessional industrial rate)

\*Capital investment subsidy is applicable to investments made up to the first three years for MSMEs (defined as per the MSME Act, 2006) and the first five years for other units from the date of first fixed capital investment in plant & machinery. Furthermore, the date of commercial production shall not be later than three years and five years for MSMEs and other units respectively from the date of the first fixed capital investment.

\*\*The overall limit of 200% of cost of plant & machinery is applicable to investments made up to the first three years for MSMEs (defined as per the MSME Act, 2006) and the first five years for other units from the date of the first fixed capital investment.

\*\*\*The concessional industrial land rate will be notified by the Industrial Infrastructure Development Corporation (IDCO) of Odisha.

## Important Notes

- Investments in 'other sectors' are also eligible for land rate concession subsidy as tabulated above
- Units setting up renewable energy captive generating plants are eligible for additional incentives in the form of capital subsidies (up to 30%) and 100% electricity duty exemption for 20 years

- Additional incentive packages, beyond those outlined in this policy document, may be evaluated for new industrial projects in specific sectors or locations on an individual basis. A high-level committee, chaired by the Chief Secretary, will be established to assess such cases, considering the advantages they bring to the state. The Cabinet will review and make decisions on proposals endorsed by this high-level committee



## Additional Key Incentives

### Renewable Energy

100% exemption on cross-subsidy surcharge and state transmission charges levied on renewable energy procured from state-based renewable energy plants or the Grid Corporation of Odisha for a period of seven to ten years

### Employment Subsidy

100% reimbursement of the employer contribution towards Employee State Insurance (ESI) and Employee Provident Fund (EPF) scheme for a period of five to seven years

### Environment-friendly Infrastructure Incentives

25-50% subsidy (limited to INR 100 million) on environment-friendly practices such as investment in 'green buildings', wastewater treatment facilities, Effluent Treatment Plant (ETP), etc.

## Other Key Policies

### Odisha Electric Vehicle Policy, 2021

The primary aim of the policy is to accelerate the pace of adoption of electric vehicles in the vehicle segments, especially in the category of two wheelers, three wheelers, and Light Motor Vehicles (LMVs). The policy offers benefits such as 15% subsidy on vehicle cost, reimbursement of 100% net SGST to the manufacturing units, etc.

### Odisha Renewable Energy Policy, 2022

The policy aims at accelerating the adoption of clean energy alternatives and decarbonizing the energy sector, which includes both grid-based electricity consumption and captive consumption of industrial consumers in the state. Eligible industries are offered multiple incentives such as electricity duty exemption (INR 0.5 per unit), 50% exemption on cross-subsidy surcharge, 25% exemption on wheeling charges, up to 100% stamp duty exemption on the purchase/lease of land, etc.

### Odisha Food Processing Policy, 2022:

The policy aims at increasing the flow of private sector investments across the value chain from farm gate to market. The policy provides fiscal and non-fiscal incentives, infrastructure development, skill development, and a cluster approach for the development of the sector. The policy offers benefits such as 35% capital investment subsidy, up to 35% credit-linked back-ended subsidy, etc.

### Odisha Apparel and Technical Textiles Policy, 2022

The policy focuses on the manufacturing, trading, and development of the apparels and technical textile sector in Odisha with the goal of empowering women and attracting skilled, semi-skilled, and unskilled workers to the sector. Incentives are in the form of 40% capital subsidies for the investment made in plant & machinery, employment cost subsidy, market development initiatives, etc.

#### Sources:

<https://www.investindia.gov.in/state/odisha>  
<https://dpiit.gov.in/publications/fdi-statistics>  
<https://www.rbi.org.in>  
<https://www.idco.in>



## Appendix 1

### List of industries classified as 'Priority' sectors:

- Ancillary & downstream in metal sector
- Agro processing
- Cold storage and cold-chain infrastructure
- Food and seafood processing
- Gemstone & granite - cutting & polishing
- Handicraft, handloom, coir-based products
- Information Technology (IT), IT-enabled Services (ITeS) and data centers
- Plastics
- Rare-earth minerals-based value added products
- Specialty steel and its products
- Ship building, ship repair, and construction of other mechanized floating vessels
- Tourism and hospitality
- Special category of industries considered equivalent to the 'priority' sector
- Manufacturing and processing of betel nuts
- Hatcheries, piggeries, rabbit, or broiler farming
- Standalone sponge iron plants
- Firecracker-making units
- Tyre retreading units
- Stone crushing units
- Coal, coke screening, coal washing, coal & coke briquetting
- Painting and spray-painting units
- Units for physical mixing of fertilizers
- Brick-making units (except units making refractory bricks and those making bricks from fly ash, red mud, and similar industrial waste not less than 25% as base raw material)
- Saw-mills, sawing of timber
- Carpentry, joinery, and wooden furniture making with investment of less than INR 10 million in plant & machinery

## Appendix 2

### List of industries classified as 'Negative' sectors:

- Rice mills with investment of less than INR 100 million in plant & machinery
- Flour mills, pulse mills, and Besan mills with investment of less than INR 10 million in plant & machinery
- Processing of spices with investment of less than INR 10 million in plant & machinery
- Confectionary with investment of less than INR 10 million in plant & machinery
- Vegetable oil mills with investment of less than INR 50 million in plant & machinery
- Bakeries and units involved in the preparation of sweets and savories with investment of less than INR 5 million in plant & machinery
- Drilling rigs, bore wells, and tube wells
- Units for cutting raw tobacco and sprinkling jaggery for chewing purposes and Gudakhu manufacturing units
- Bookbinding, rubber stamp making, making notebooks, exercise notebooks, and envelopes with investment of less than INR 5 million in plant & machinery
- Packaged drinking water with investment of less than INR 10 million in plant & machinery
- Any activity regarding IMFL or liquor of any kind
- Manufacturing of asbestos-based products
- Single-use plastics

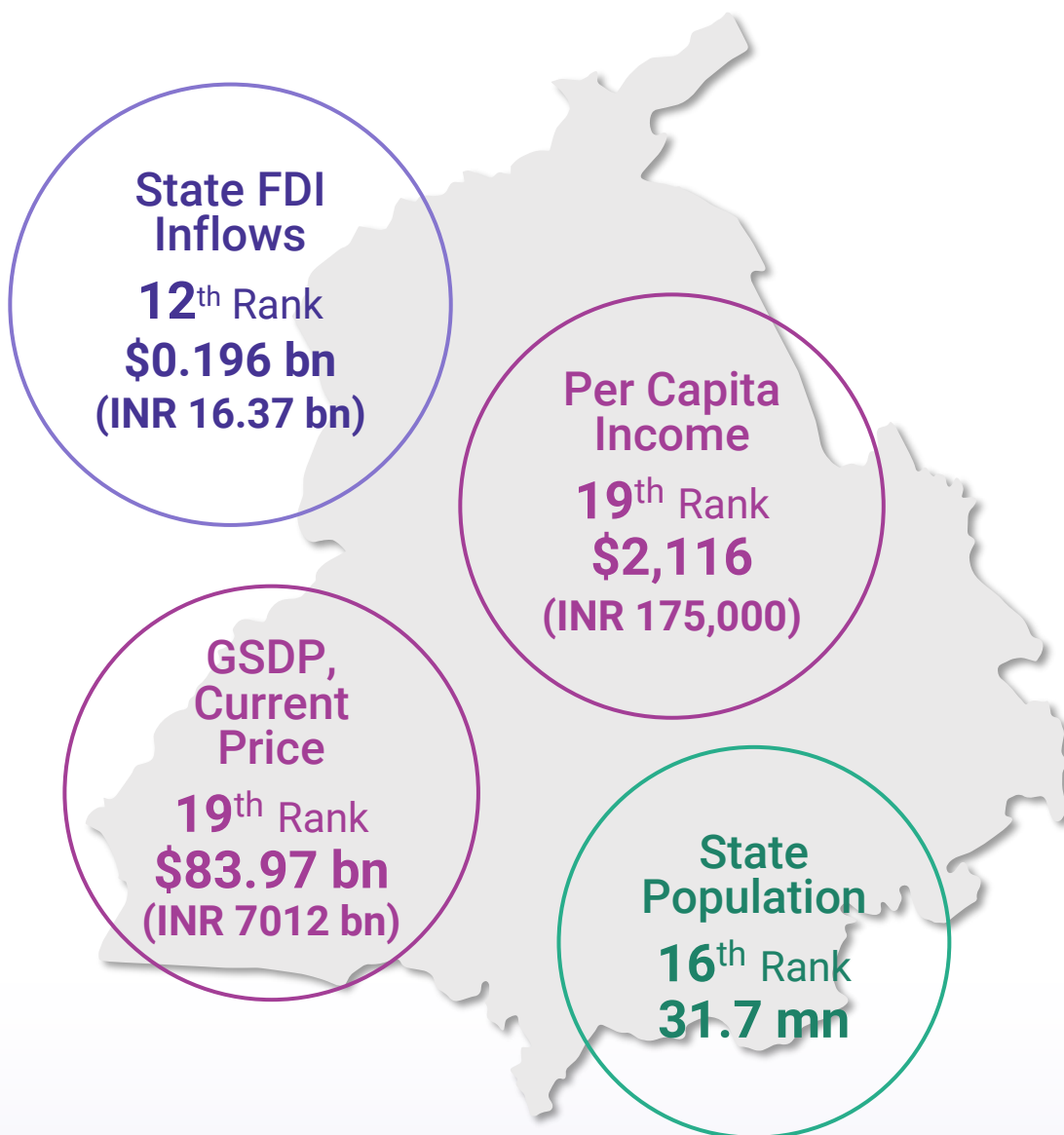




Punjab

This document covers information about incentives offered by **Punjab** under the 'Punjab Industrial and Business Development Policy 2022'.

## Key Statistics | Punjab



April 2022 to December 2023

2022-23

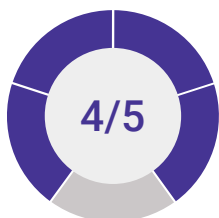
2022

## Policy Overview

Punjab, located in the northwest region of India, stands out as an economic powerhouse by contributing 2.5% to the nation's GDP. Recognized as a 'Top Achiever' in the 2020 Business Reforms Action Plan (BRAP) ranking, Punjab is committed to enhancing its appeal as the preferred investment destination.

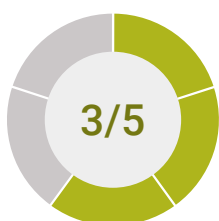
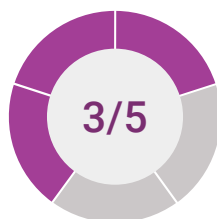
To this end, the Punjab State Government has introduced the 'Punjab Industrial and Business Development Policy 2022,' effective from 17 October 2022 to 16 October 2027. This policy is geared towards accelerating industrial growth and fostering job creation within the state.

## Nexdigm Ratings and Observations



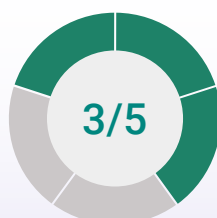
**Policy Structure**

**Incentive Range & Quantum**



**Investor Facilitation**

**Level of Digitization**



- Net SGST Reimbursement and Electricity Duty Exemption are the two major incentives outlined in this policy.
- Unlike other states, there is no specific regional classification. These incentives are available to all eligible units, regardless of their location.
- Punjab offers special incentives to start-up units when compared to other states.
- Incentives are also available to eligible service sectors within MSME and 'Large Units' (Appendix 1), with seven service activities identified as priority sectors.
- Enterprises engaged in manufacturing activities (as outlined in Appendix 2) will not be eligible for incentives.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*

# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment in Eligible Fixed Assets (EFA), which have been briefly tabulated below:

Industry	Investment in Eligible Fixed Assets (EFA)
Start-up Units	Units registered for no more than 10 years with an annual turnover not exceeding INR 1,000 million in any previous financial year that are dedicated to innovating, developing, or enhancing products, processes, or services.
MSME Units	Minimum investment in plant & machinery up to INR 500 mn and turnover up to INR 2,500 mn
Large	Units not falling within the definition of MSME units
Mega	Minimum Fixed Capital Investment (FCI) between INR 15,000 mn and INR 25,000 mn, and minimum contract demand of 20 MVA
Ultra-Mega	Minimum FCI above INR 25,000 mn and minimum contract demand of 30 MVA

## Thrust Sectors

Every state encourages select sectors based on their competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. This policy recognizes 25 thrust sectors across manufacturing, services, and the circular economy.

### Manufacturing

- NRSE Equipment, Energy Storage Devices, Industry 4.0-based Manufacturing
- Textiles
- Agri & Food Processing Industries
- Electronics
- Aerospace & Defense
- Biotechnology, Pharmaceutical, & Lifesciences
- Processing of Agro Waste
- Bicycle & Bicycle Components
- Alloys & Steel
- Auto & Auto Components
- Sport Goods (including fitness equipment)
- Hand Tools
- Agricultural Machinery & Equipment
- Paper-based Packaging Units

### Service

- IT & ITeS
- Skill Development Centers, Incubation Centres, & Accelerators
- Healthcare
- Tourism & Hospitality
- Media & Entertainment
- Logistics
- Maintenance, Repair, and Overhaul (MRO) for Aviation & Defense

### Circular Economy

- Shredding Units (for auto vehicles and parts)
- Manufacturing of Bio-diesel
- Processing of Plastic Waste
- Waste Management Units





## Major Incentives

Several incentives are provided to manufacturing industries based on their investment thresholds/turnover/minimum contract demand in Punjab. The below table covers a range of incentives provided to these enterprises:

Particulars	MSME	Large	Mega	Ultra Mega
Net SGST Reimbursement	100% of net SGST reimbursement for a period of 7 years limited to 100% of FCI*	75% of net SGST reimbursement for a period of 7 years limited to 100% of FCI	100% of net SGST reimbursement for a period of 17 years limited to 200% of FCI	100% of net SGST reimbursement for a period of 20 years limited to 200% of FCI
Power Tariff Subsidy	-	-	Subsidized variable power tariff at the rate of INR 5.50 per kWh for a period of 4 years	Subsidized variable power tariff at the rate of INR 5.50 per kWh for a period of 5 years
Electricity Duty Exemption	100% exemption for a period of 7 years up to 100% of FCI	100% exemption for a period of 10 years up to 100% of FCI	100% exemption for a period of 10 years up to 100% of FCI	
Stamp Duty Exemption	100% Exemption			
Interest Subsidy	5% p.a. limited to INR 0.5 mn p.a. for a period of 5 years to units eligible under the CLCSS**	-	-	-

\*Fixed Capital Investment (FCI) encompasses investments in land, buildings, plants, machinery, and equipment.

Note: The policy outlines specific terms and conditions regarding the eligibility period and the items to be considered in the calculation of FCI.

\*\*CLCSS – Credit Linked Capital Subsidy Scheme (CLCSS) of the Ministry of Micro, Small, & Medium Enterprises

## Important Notes

### Start-up Units

Special incentives are available to start-up units which shall include Interest Subsidy of 8% p.a. limited to INR 0.5 million p.a. for a period of 5 years, 25% lease rental subsidy limited to INR 0.3 million p.a. for a period of 1 year, seed grant of INR 0.3 million, and 100% stamp duty reimbursement on the registration of the Memorandum of Association/Articles of Association (MoA/AoA).

### Thrust Sectors

MSMEs and large units in thrust sectors shall be accorded an additional quantum of incentives.

### Anchor Units

Anchor units refer to units with a minimum FCI of INR 2.5 billion or units that directly employ a minimum of 1000 individuals. A customized package of incentives will be offered to anchor units based on gestation period, location, technology, the potential to develop ancillary enterprises, the project's importance to the state's industrial growth, and its ability to generate employment. These units must maintain the minimum FCI and employment criteria to be categorized as anchor units as outlined by the policy.

### Early Bird Units

Special incentives shall be awarded to 10 early bird units in new industrial parks approved by the state.

## Additional Key Incentives

### MSME Projects

Additional capital subsidy of 50% of FCI limited to INR 5 million (for micro and small enterprises engaged in thrust sectors), assistance in technology acquisition (50% of expenses limited to INR 0.25 million), reimbursement of expenses incurred for energy, water, environmental clearances (50-75%), reimbursement of expenses incurred for patent registration, and quality certification (75-100%).

### Large Projects

50% exemption on Property Tax for a period of seven years.

### Mega & Ultra Mega Projects

100% exemption from External Development Charges (EDC) or Change of Land Use (CLU), employment generation subsidy of INR 36,000-48,000 per employee per year for a period of five years, and an additional customized package of incentives based on the investment quantum.



## Other Key Policies

### Punjab Electric Vehicle Policy 2022

Under the policy, the State Government has set a target of 25% of total annual vehicle registrations being Electric Vehicles (EVs) by 2025. Purchase incentives are applicable to the first 20,000 owners of e-cycles (up to 25-33%), the first 10,000 owners of e-rickshaws (up to INR 15,000 per vehicle), and the first 5,000 owners of EV commercial vehicles (up to INR 30,000-50,000 per vehicle).

### Integrated Logistics & Logistics Park Policy, 2023

The policy aims to establish an effective and efficient logistics ecosystem to support the vision set forth in the Punjab Industrial and Business Development Policy 2022. The major fiscal incentives include up to 100% Electricity Duty Exemption for 10 years, up to 100% net SGST reimbursement, up to 100% Stamp Duty Exemption, etc.

#### Sources:

<https://www.investindia.gov.in/state/punjab>

<http://investpunjab.gov.in/home>

<https://punjab.gov.in/government/departments/departments-of-investment-promotion/>

<https://pbindustries.gov.in/static/>

<https://www.rbi.org.in>

## Appendix 1

The list of service sector companies eligible for incentives under the policy is covered below:

- IT & ITeS
- Life Sciences
- Skill Development Centers, Incubation Centers, & Accelerators
- Healthcare
- Tourism & Hospitality
- Media & Entertainment
- Logistics
- Maintenance, Repair, & Overhaul (MRO) in Aviation and Defense
- Industrial R&D Labs, Industrial Testing Labs
- Engineering & Design Services
- Equipment Rental & Leasing (construction and industry related)
- Equipment Maintenance and Repair
- Environment Services (sewage/refuse disposal)
- Common utility services such as steam, air, water, & STP
- Printing Presses, Offset Printing Presses, Flexi/Vinyl Printing, & Flexo Printing
- Design Studios (with investment of more than INR 0.50 million on machinery & equipment)
- Auto Servicing/Repairing units (with investment of more than INR 0.50 million on machinery & equipment)
- Packaging Activities (with investment of more than INR 0.50 million on machinery & equipment)
- Any other service enterprises notified by the State Government for inclusion in the list

## Appendix 2

Investments in the sectors mentioned below are not eligible for incentives:

- Manufacturing/packing of all alcoholic products (subject to a few exceptions)
- Manufacturing of tobacco products including cigars, cigarettes, and gutka
- Brick/tile kilns (except fly ash-based bricks/tiles and other concrete products manufactured by machinery/equipment other than kilns)
- Vanaspati ghee mills
- Rice shellers

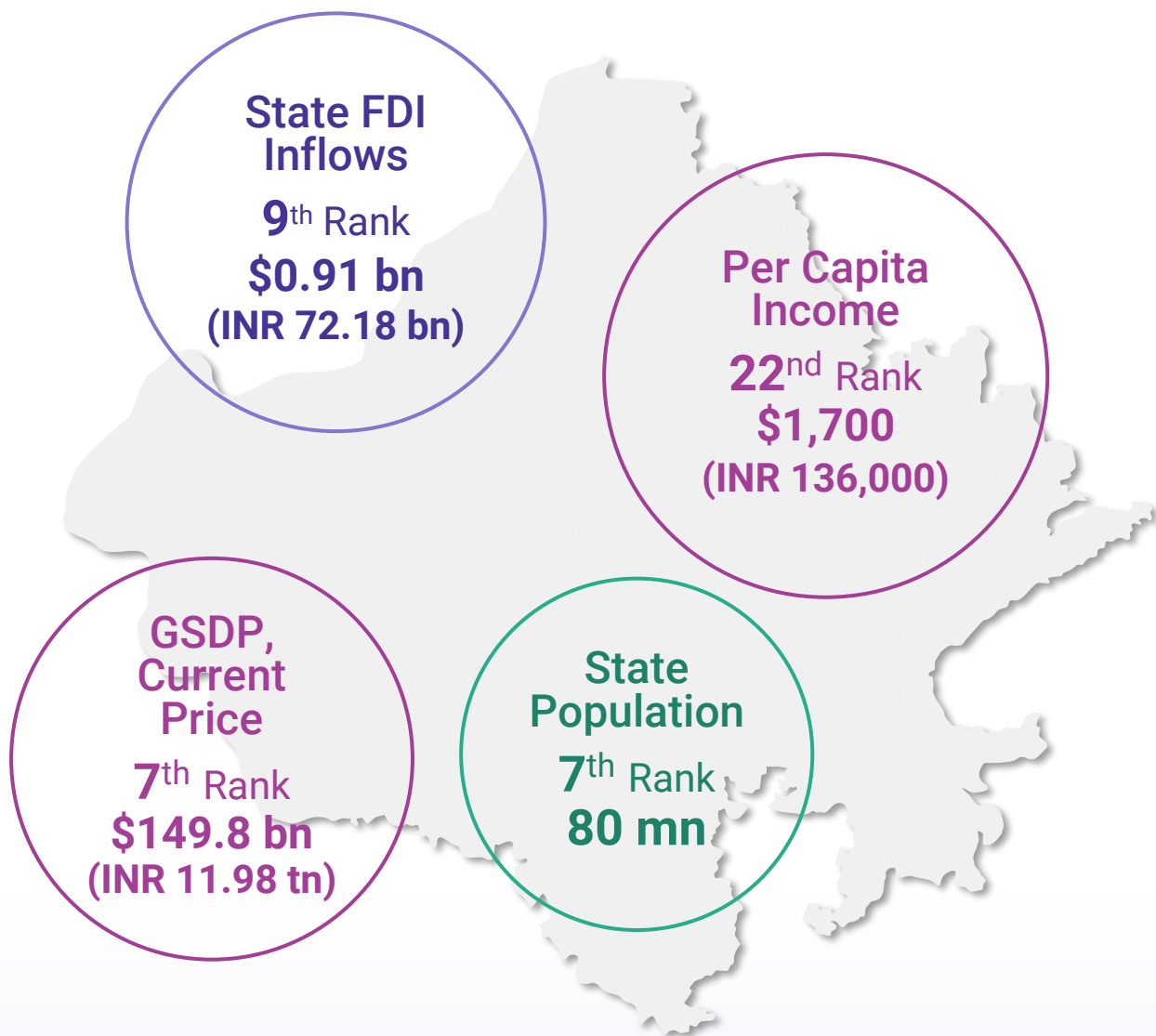




Rajasthan

This document covers information about incentives offered by **Rajasthan** under the '**Rajasthan Investment Promotion Scheme 2022**'.

## Key Statistics | Rajasthan



April 2022 to March 2023

2021-22

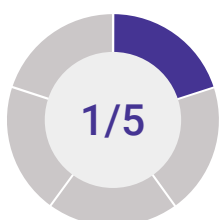
2022

## Policy Overview

Rajasthan aims to attain a 15% annual growth rate in both manufacturing and services, generate employment opportunities for one million people by 2027, and become a pioneer in climate and sustainability by incentivizing green initiatives and promoting sectors such as green

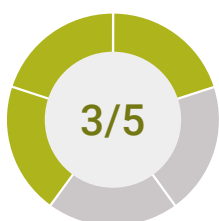
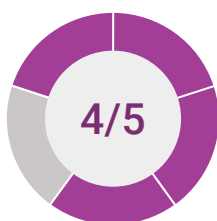
hydrogen, alternative energy, and medical devices. To support these goals, the State Government released '**Rajasthan Investment Promotion Scheme 2022**', effective from 7 October 2022 to 31 March 2027.

## Nexdigm Ratings and Observations



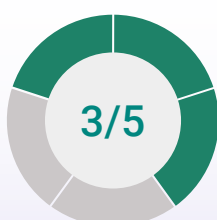
**Policy Structure**

**Incentive Range & Quantum**



**Investor Facilitation**

**State Machinery Digitization**



*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*

This policy has identified the following eight priority/focus categories for the standard incentive package:

- Manufacturing
- Services
- Sunrise sectors
- MSMEs
- Startups
- Logistics Parks, Warehousing & Cold Chains
- R&D, Global Capability Centers (GCCs) & Test Labs
- Renewable Energy Plants

The incentives for companies in the manufacturing and service sector are primarily categorized into three parts:

- Asset creation incentive (investment subsidy, capital subsidy, and turnover-linked incentive)
- Special incentives (employment booster, green incentives, and cluster incentives)
- Other exemptions (electricity duty, stamp duty, etc.)

In comparison to other states, Rajasthan provides one of the most attractive incentive packages to eligible service sectors.

Enterprises engaged in manufacturing activities as outlined in Appendix 3 will not be eligible for incentives.

# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment and employment, which has been briefly tabulated below:

Industry	Capital Investment in Plant & Machinery
Micro	Investment in Plant & Machinery or Equipment up to INR 10 mn
Small	Investment in Plant & Machinery or Equipment up to INR 100 mn
Medium	Investment in Plant & Machinery or Equipment up to INR 500 mn
Large	Investment in EFCI* greater than INR 500 mn and up to INR 3 bn
Mega	Investment in EFCI greater than INR 3 bn and up to INR 10 bn OR investment in Plant & Machinery greater than INR 1.5 bn and minimum employment generation for 250 people
Ultra-Mega	Investment in EFCI greater than INR 10 bn OR investment in Plant & Machinery greater than INR 5 bn and minimum employment generation for 750 people

*\*EFCI refers to Eligible Fixed Capital Investment and includes investment in land, new factory sheds or industrial buildings, new plant and machinery, and other new fixed assets*

## Region Classification

Regions in Rajasthan, for the purpose of the scheme, are classified under different categories based on the development stage of such regions, thereby promoting investments with relatively higher incentives in developing or underdeveloped regions for the balanced growth of all regions of Rajasthan. The classification is tabulated briefly below:

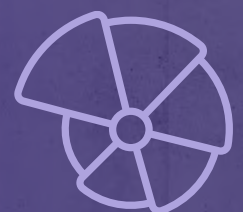
Category	Regions Covered
I	Comprising of highly industrially developed areas (75 areas) such as Ajmer, Jaipur, Pushkar, Alwar, Behror, Neemrana, Tijara, Bharatpur, Bundi, Chittorgarh, Dholpur, Kotputli, Jhunjhunu, Jodhpur, Sikar, Tonk, etc.
II	Comprising of moderately industrially developed areas (214 areas) such as Antah, Baran, Chhabra, Bhinay, Arain, Bijaynagar, Kekri, Masuda, Bikaner, Lunkaransar, Kolayat Bassi, Bhadesar, Dungla, Gangrar, Rashmi, Badi Sadri, etc.
III	Comprising of industrially developing areas (105 areas) such as Mundawar, Kathumar, Narayanpur, Reni, Atru, Chhipabarod, Kishanganj, Mangrol, Shahabad, Bhusawar, Deeg, Kaman, Pahadi, Kumher, etc.



## Thrust Sectors

Every state encourages select sectors based on its competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme. The thrust sectors identified under this policy are mentioned below:

- Agro & Food Processing
- Dairy
- Textiles
- Apparels
- Handicraft
- Leather, Footwear, & Accessories
- Gems & Jewellery
- Petrochemicals & Petroleum Ancillary
- Chemicals
- Pharmaceuticals
- Minerals
- Ceramics
- Glass
- Biodegradable Plastic Substitutes
- Industrial Gases
- Renewables
- Defense
- Automobile, Electric Vehicle (EV) & Auto-components
- Electronics System Design and Manufacturing (ESDM)



## Major Incentives

Several incentives are provided to manufacturing industries in Rajasthan based on their investment thresholds and employment generation. The below table covers a range of incentives provided to these enterprises:

Incentive	MSME	Large	Mega	Ultra-Mega
Asset Creation Incentives	Investment Subsidy + Interest Subsidy	The company can choose one of the following options (A, B, or C)		
A. Investment Subsidy OR	75% of State Goods and Services Tax (SGST) reimbursement due and deposited for a period of seven years	75% of SGST reimbursement due and deposited for a period of seven years subject to an annual ceiling limit mentioned below: <ul style="list-style-type: none"><li>Year 1-3: INR 500 mn p.a.</li><li>Year 4-7: INR 650 mn p.a.</li></ul>		
B. Capital Subsidy OR	-	13-20% of EFCI	17-23% of EFCI	23-28% of EFCI
		Capital subsidies will be disbursed in annual installments over ten years subject to an annual ceiling limit mentioned below: <ul style="list-style-type: none"><li>Year 1-3: INR 500 mn p.a.</li><li>Year 4-7: INR 650 mn p.a.</li><li>Year 8-10: INR 800 mn p.a.</li></ul>		
C. Turnover Linked Incentive	-	1.2-1.65% of Net Sales	1.4-1.85% of Net Sales	1.65-2% of Net Sales
		Turnover-linked incentives will be disbursed in annual installments over ten years subject to an annual ceiling limit mentioned below: <ul style="list-style-type: none"><li>Year 1-3: INR 500 mn p.a.</li><li>Year 4-7: INR 650 mn p.a.</li><li>Year 8-10: INR 800 mn p.a.</li></ul>		
Employment Booster Incentive	-	Additional incentives ranging from 10-15% on any of the selected 'Asset Creation Incentives' for enterprises providing additional employment of 1.5 times the specified threshold (minimum)		
Interest Subsidy	3-6% p.a. for five years for loan amounts ranging from INR 10 mn to 500 mn	-		
Electricity Duty Exemption	100% exemption for a period of seven years			
Stamp Duty Reimbursement	100% reimbursement benefit will be given in stages as notified by the state			

## Important Notes

- The service sector, as listed in Appendix 1, is also eligible for all the above incentives (except interest subsidy) with some change in percentage allocation based on the quantum of investment and employment generation
- The first three units within the sunrise sector, as listed in Appendix 2 and falling under the 'Mega' and 'Ultra Mega' project category slabs shall be eligible for a sunrise booster of 20% on any of the selected 'Asset Creation Incentives'
- The annual cap of incentives for MSMEs is INR 50 million
- Large, Mega, & Ultra Mega Units
  - Thrust sectors are eligible for 10% additional incentives on any of the selected 'Asset Creation Incentives' or 5% p.a. Interest Subsidy on a Term Loan for Investment in Plant & Machinery for a period of five years subject to a maximum of 2.5% p.a. of the EFCI
  - The total value of all incentives and boosters in the case of Investment Subsidy (SGST Reimbursement) shall not exceed 100% of SGST due and deposited per year for seven years
  - The total value of incentives and boosters in the case of Capital Subsidy and Turnover Linked Incentive shall not exceed 100% of the EFCI



## Additional Key Incentives

### Large, Mega & Ultra Mega Units

- **Green Incentives:** A one-time capital subsidy up to 50% of the project cost for enterprises setting up environment infrastructure facilities such as waste management projects, Effluent Treatment Plant (ETP), zero-liquid discharge, air pollution control measures, renewable energy generation, etc.
- 100% exemption from payment of Land Tax and Market Fee (Mandi Fee) for seven years
- 100% conversion charges benefit given in stages as notified by the state
- Other notable incentives include cluster incentives, freight subsidy, and training and skilling incentives

### MSME Units

- **Green Incentives:** A one-time capital subsidy up to 50% of the project cost for enterprises setting up water conservation measures and waste management
- Reimbursement of 50% of the employer's contribution of Employee Provident Fund (EPF) and Employee State Insurance (ESI) for seven years
- 100% exemption from payment of Land Tax and Market Fee (Mandi Fee) for seven years
- 100% conversion charges benefit given in stages as notified by the state
- Other notable incentives include quality certification, IP creation, and fundraising incentives

## Other Key Policies

### Rajasthan Electric Vehicle Policy 2022-2027

The Rajasthan Government has approved INR 400 million for incentives, allocated in the form of SGST reimbursement under this policy. These incentives are applicable for all forms of electric vehicles based on their battery capacity.

### Rajasthan Film Tourism Promotion Policy 2022-2027

The policy aims to position Rajasthan as the most film-friendly state and generate employment opportunities in the film sector. It offers a subsidy up to INR 20 million for shooting of films in Rajasthan, coupled with exemptions from all fees and levies associated with filming at any government-owned monuments, places, and properties.

### Rajasthan Handicraft Policy 2022-26

The policy emphasizes the advancement of handicrafts to foster growth, thereby ensuring active participation and creating fresh employment prospects. Incentives include interest waivers on loans for artisans and the provision of group insurance to the handicraft and handloom sector.

#### Sources:

<https://invest.rajasthan.gov.in/en/rajasthan-investment-promotion-scheme-rips-2022>

<https://www.investindia.gov.in/state/rajasthan>

<https://swcs.rajasthan.gov.in/Incentives.aspx>

<https://www.rbi.org.in>



### Appendix 1

Service sector list eligible for incentives under the policy:

- Amusement Park
- Cold Chain and Preservation Infrastructure
- Convention Center
- Cluster/Electronic Manufacturing Cluster
- Healthcare
- IT & ITeS
- Fintech
- Hotel & Tourism
- Entertainment
- Film City
- Cold Chain in Pharmaceuticals
- Common Utility Centre
- Infrastructure for Value-Addition or Preservation of Agricultural Products
- Plug and Play Office Complex
- Social Infrastructure

### Appendix 2

The scheme recognizes the following sectors as sunrise sectors:

- Green Hydrogen
- Ethanol
- Medical Devices & Equipment
- Biotechnology
- New Battery Technology
- Industry 4.0
- Data Centers
- Rare Earth Elements

### Appendix 3

Investments in the sectors mentioned below are not eligible for incentives:

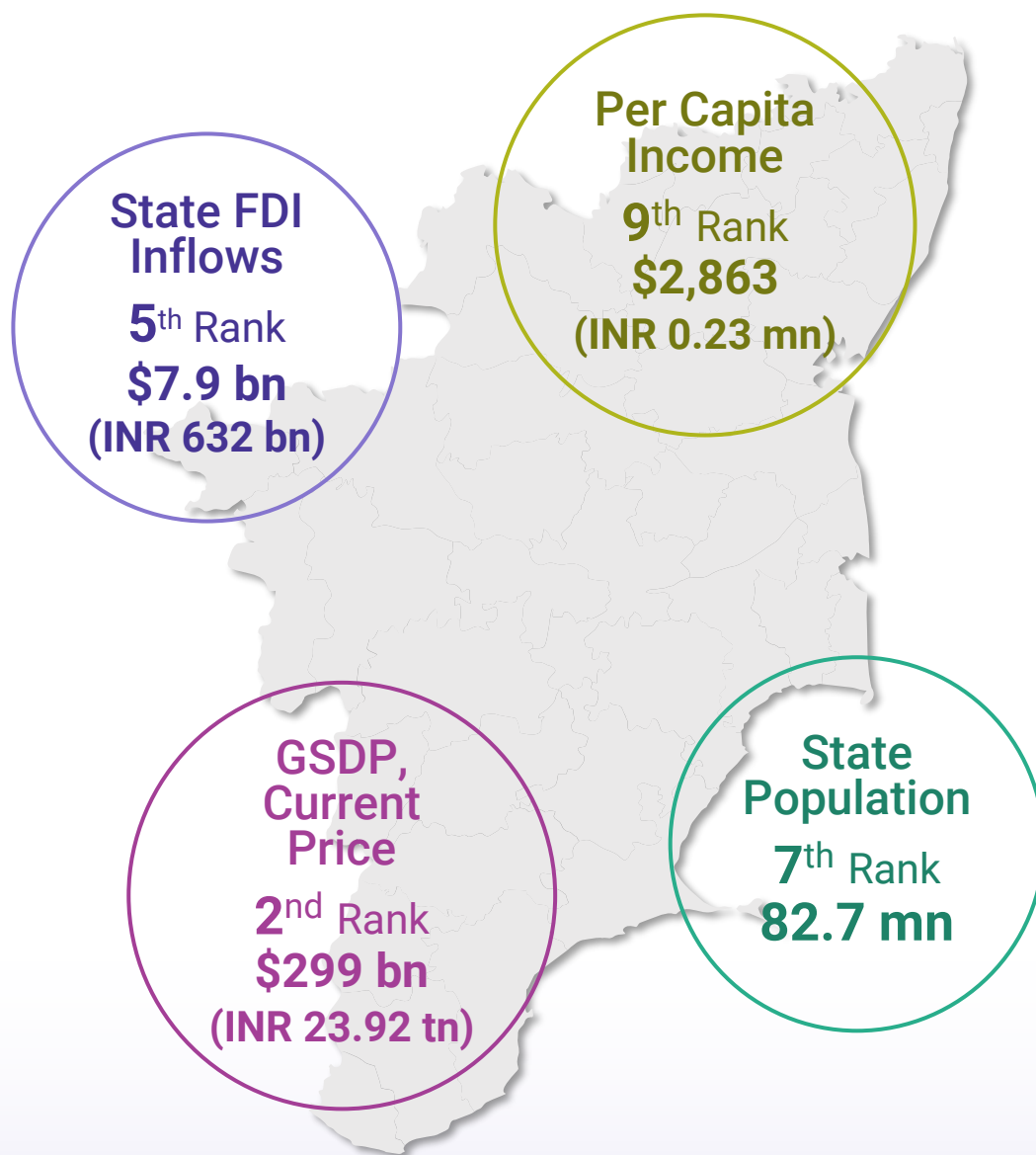
- Investment for manufacturing tobacco
- Tobacco products and pan masala
- Investment made in cow/beef processing units
- Investment made in retail/trading activities
- Any activity which is prohibited by Central/State Government laws
- Aerated water plants



**Tamil Nadu**

This document covers information about incentives offered by **Tamil Nadu** under the '**Tamil Nadu Industrial Policy, 2021**'.

## Key Statistics | Tamil Nadu



October 2019 to September 2022

2021-22

2020-21

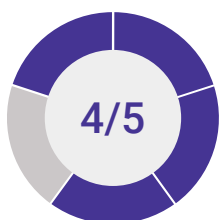
2022

## Policy Overview

The Tamil Nadu State Government released '**Tamil Nadu Industrial Policy 2021**', which is valid from 1 January 2021 to 31 March 2025. The policy aims to attract investment of USD 135 billion (~INR 10.8 trillion) and achieve an annual growth rate of 15% in the manufacturing sector during the policy period.

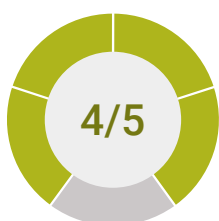
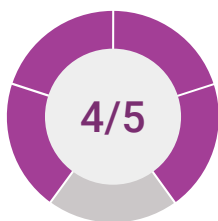
The policy has placed special attention to the manufacturing sector with an objective to increase the contribution of the manufacturing sector to 30% of Gross State Value Added (GSVA) by 2030.

## Nexdigm Ratings and Observations



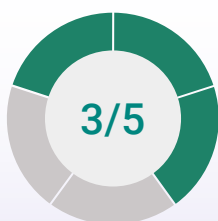
### Policy Structure

### Incentive Range & Quantum



### Investor Facilitation

### Level Of Digitization



- Investment Promotion Subsidy is one of the major incentives in the policy wherein four possible options are outlined for availing the subsidy. Companies have the choice to select the most feasible option based on their business model.
- The state has the vision to meet global standards for ease of doing business for which key forums have been introduced, namely a Single Window Facility, Investor Facilitation Deck, and Biz Buddy. These forums provide adequate information to investors for securing land options, necessary clearances, government subsidies, etc.
- This policy covers incentives applicable for large, sub-large, mega, and ultra-mega projects. The State Government has separately released the 'MSME Policy, 2021' detailing the incentives for Medium, Small, and Micro Enterprises (MSME). The same is summarized in a separate table under the section 'Incentives for MSMEs under MSME Policy, 2021 of Tamil Nadu'.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*



# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment in Eligible Fixed Assets (EFA) which has been briefly tabulated below:

Industry	Investment in Eligible Fixed Assets (EFA)
Sub-Large	More than INR 500 mn and up to INR 3,000 mn with a standard 4-year investment period
Large	More than INR 3,000 mn and up to INR 5,000 mn with a standard 4-year investment period
Mega	More than INR 5,000 mn and up to INR 50,000 mn with a standard 4-year investment period
Ultra-Mega	More than INR 50,000 mn with a standard 7-year investment period

*In addition, the above enterprises should create employment for at least 50 persons to be eligible for incentives under this policy.*

## Region Classification

Regions in Tamil Nadu, for the purpose of the scheme, are classified under different categories based on the development stage of such regions, thereby promoting investments with relatively higher incentives in developing or underdeveloped regions for the balanced growth of the entire state. The classification is tabulated briefly below:

Block A	Comprising of fully industrially developed areas such as Chengalpattu, Chennai, Kancheepuram, and Tiruvallur. This block covers 4 districts
Block B	Comprising of moderately industrially developed areas such as Coimbatore, Erode, Tiruppur, etc. This block covers 12 districts
Block C	Comprising of industrially developing areas such as Kanniyakumari, Madurai, Thanjavur, etc. This block covers 22 districts

## Thrust Sectors

Every state encourages select sectors based on their competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. Such sectors are known as thrust sectors and are accorded additional benefits in the incentive scheme.

11 thrust sectors have been identified under this policy:

- Aerospace & Defence Applications
- Agro & Food Processing except for the Edible Oil industries

- Renewable Energy Components Manufacturing
- Electronics System Design & Manufacturing
- Medical Electronics, Devices, & Equipment
- Electric Vehicles, EV Cell & Battery Manufacturing
- Biotechnology
- Pharmaceuticals, Bulk Drugs, & Nutraceuticals
- Petrochemicals & Speciality Chemicals
- Footwear, Finished Leather Goods, & Polyurethane Fabric
- Technical Textiles including Medical Textiles



## Major Incentives

Several incentives are provided to industries based on their investment thresholds and region of set-up in Tamil Nadu. The below table covers a range of incentives depending on the set-up region provided to enterprises basis the classification of industries:

Particulars	Large	Mega	Ultra-Mega	Sub-Large
Investment Promotion Subsidy	The company can choose one of the following options (Not Applicable to 'Block A' for Large Industries)			-
A. SGST Reimbursement OR	100% reimbursement of SGST payable on the sale of final products manufactured and sold in Tamil Nadu for 15 years			-
B. Fixed Capital Investment *OR	10-12% of EFA disbursed equally over 10 years	10-15% of EFA disbursed equally over 10-12 years	20-25% of EFA disbursed equally over 15 years	-
C. Flexible Capital Subsidy OR	5-40% of EFA disbursed equally over the incentive disbursal period (2.5 times of investment period). The range is dependent on 4 factors – employment generation, export revenue, ecosystem creation, and thrust sector			-
D. Turnover-based Subsidy **	-	1.5-2% of turnover, subject to a cap of 4% of EFA p.a. for 10 years		-
Capital Subsidy	A Block - INR 10 mn	-		A & B Block - INR 10 mn, C Block - 5% of EFA disbursed equally over 5 years
Interest Subvention	-		Up to 5% rebate on Term Loan, subject to a cap of INR 40 mn p.a. for 6 years	-
Electricity Tax Incentive	Exemption for 5 years on power purchased from the Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO)			
Stamp Duty Exemption	50-100% exemption for lease or purchase of land/shed/building			

To avail Fixed Capital Investment Subsidy, companies must provide minimum employment as follows – Large (150), Mega (400), and Ultra-Mega (2000)

\*\* To avail Turnover-based Subsidy, Mega and Ultra-Mega Industries must provide minimum employment to 2000/4000 employees

## Important Notes

- **Eligible Fixed Assets (EFA):** EFA includes investments made in land, building, plant & machinery, equipment, project-related infrastructure, other constructions, etc., and excludes intangible assets
- Industries that form part of thrust sectors and R&D projects shall be eligible for enhanced subsidies on top of the above package

(higher incentive percentage or limits on Investment Promotion Subsidy, stamp duty exemption, interest subvention, etc.)

- Service sectors including warehousing and logistics are also eligible for some incentives such as electricity tariff subsidy, affordable loans, land rate concession, etc.



## Additional Key Incentives

- **Training Subsidy:** Up to INR 4,000 per worker per month for six months
- **Land Cost Incentive:** 10-50% land rate concession
- Additional incentives for recycling waste, energy, and water conservation (25% subsidy), quality certification, intellectual property creation (up to 50% subsidy), and SGST refund on capital goods are also available for the above industries.

## Incentives for MSMEs under MSME Policy, 2021 of Tamil Nadu

A separate policy has been launched by the State Government for covering incentives for MSME.

Eligibility criteria: Minimum investment in plant & machinery up to INR 500 million and turnover up to INR 2,500 million.

Below are the high-level major incentives available to MSMEs as per this policy:

Capital Subsidy	25-35% of plant and machinery value, subject to a cap of INR 2.5-15 mn
Power Tariff Subsidy	20% on Low Tension (LT) power consumption charges for three years (only for micro enterprises)
Stamp Duty Exemption	50-100% exemption on mortgage/lease/purchase of premises
Payroll Subsidy	Reimbursement of employer's EPF contribution of INR 24,000 per employee p.a. for the first three years on employment of more than 20 persons (only for micro enterprises)

Additional Incentives such as the innovation voucher program (up to 80% subsidy), trademark and patent registration (50-75% subsidy), cleaner environment initiatives (25% subsidy), and 5% interest subsidy for technology upgradation are also available to MSME units.

## Other Key Policies

### Tamil Nadu Electric Vehicles Policy 2023

This policy covers units engaged in the manufacturing of Electric Vehicles (EV), EV components, Electric Vehicle Supply Equipment (EVSE) and EV charging infrastructure, charging stations/charging point operators, and customers purchasing EVs in Tamil Nadu. The policy offers investment promotion subsidies such as 100% reimbursement of the Gross SGST, turnover-based subsidy, capital subsidy of up to 15% of the investment, electricity tax exemption, 100% stamp duty exemption, etc.

### Tamil Nadu Footwear & Leather Products Policy 2022

The Tamil Nadu Leather and Footwear Products Policy 2022 offers special incentives for two key categories – A special package for Footwear and Leather Products (FLP) manufacturing and FLP design studios.

### Tamil Nadu Start-up & Innovation Policy 2018

The Tamil Nadu Start-up and Innovation Policy 2018-2023 aims to provide an enabling, innovative ecosystem in the state. Implementation of the policy will enable Tamil Nadu to emerge as the 'Knowledge Capital' and 'Innovation Hub' of the country.

### Tamil Nadu New Integrated Textile Policy 2019

With a vision to achieve higher and sustainable growth in the textile value chain, multiple incentives are provided to textile units, majorly in the form of credit-linked Capital Investment Subsidy (CIS).

### Tamil Nadu Fintech Policy 2021

The Government of Tamil Nadu shall support FinTech start-ups and large firms venturing into the FinTech sector. The State Government shall also support angel funds, private equity, venture capital funds, and incubators. Major incentives include up to 75% of reimbursement of operating expenses and SGST reimbursement.

#### Sources

<https://www.investindia.gov.in/state/tamil-nadu>  
<https://dpiit.gov.in/publications/fdi-statistics>  
<https://www.rbi.org.in>  
<https://investingintamilnadu.com/>  
<https://www.tn.gov.in/>

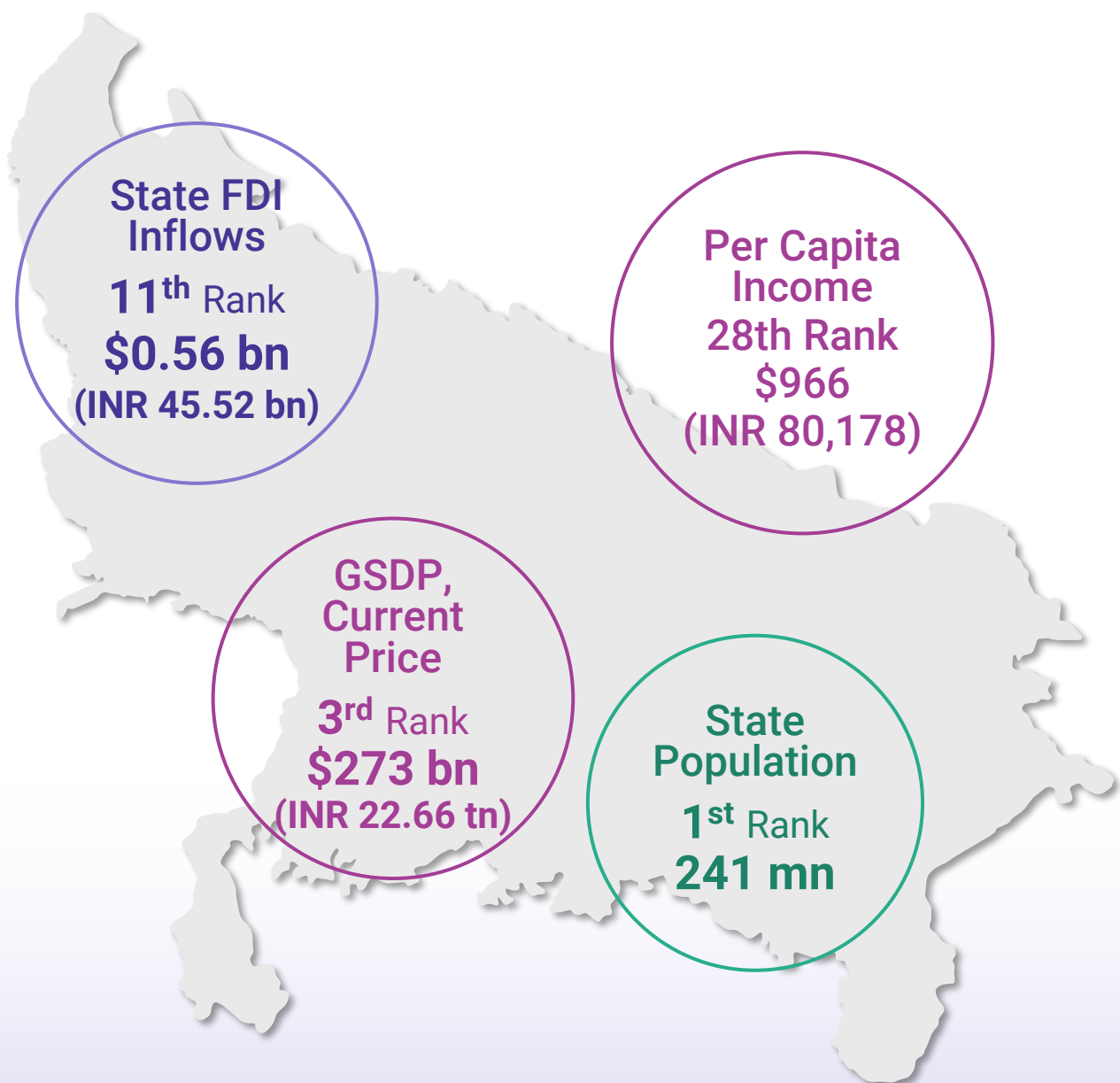




**Uttar Pradesh**

This document covers information about incentives offered by **Uttar Pradesh** under the '**Uttar Pradesh Industrial Investment & Employment Promotion Policy 2022**'.

## Key Statistics | Tamil Nadu



April 2022 to September 2023

2022-23

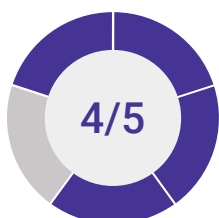
2022

## Policy Overview

Uttar Pradesh is the fourth largest state in India by land area and contributes a substantial share to the nation's economy, approximately 8% of the total GDP. Recognized as an 'Achiever' in the 2020 Business Reforms Action Plan (BRAP) ranking, the state is striving to position itself as a competitive destination on both national and international fronts.

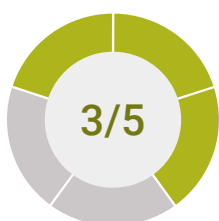
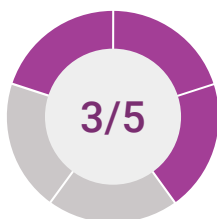
The primary objectives include job creation and fostering sustainable, inclusive, and balanced economic growth. In line with these aspirations, the State Government has introduced the 'Uttar Pradesh Industrial Investment & Employment Promotion Policy 2022,' effective for a period of five years.

## Nexdigm Ratings and Observations



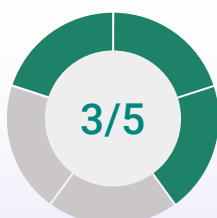
**Policy Structure**

**Incentive Range & Quantum**



**Investor Facilitation**

**Level Of Digitization**



- The Investment Promotion Subsidy is one of the major incentives in the policy wherein three possible options are outlined for availing the subsidy. Companies have the choice of selecting any one from three types of subsidies:
  - Capital Subsidy with Boosters
  - Net SGST Reimbursement
  - PLI Top-up Subsidy
- This policy covers incentives applicable for Large, Mega, Super Mega and Ultra Mega projects. The State Government has separately released the 'Uttar Pradesh Micro, Small and Medium Enterprises Promotion Policy 2022' detailing the incentives for Medium, Small, and Micro Enterprises (MSMEs). The same is summarized in a separate table under the section 'Incentives for MSMEs under the Uttar Pradesh Micro, Small and Medium Enterprises Promotion Policy 2022'.

*Note: The information/data used for the ratings is subjective based on our assessment of the policy, the experience of Nexdigm professionals in dealing with State Authorities, digitization of select statutory requirements, etc.*

# Policy Highlights

## Industry Classification

Manufacturing enterprises, for the purpose of the scheme, are classified under different categories based on the quantum of investment and employment, which has been briefly tabulated below:

Industry	Capital Investment
Large	Above 500 mn but below INR 2,000 mn
Mega	INR 2,000 mn or above but below INR 5,000 mn
Super Mega	INR 5,000 mn or above but below INR 30,000 mn
Ultra-Mega	INR 30,000 mn or above

## Region Classification

Regions in Uttar Pradesh, for the purpose of the scheme, are classified under different categories based on the development stage of such regions, thereby promoting investments with relatively higher incentives in developing or underdeveloped regions for the balanced growth of all regions of Rajasthan. The classification is tabulated briefly below:

Regions Covered	Incentive Range
Bundelkhand & Poorvanchal	High
Madhyanchal & Paschimanchal (except Gautam Buddh Nagar & Ghaziabad)	Moderate
Gautam Buddh Nagar & Ghaziabad	Low



# Policy Highlights

## Thrust Sectors

Every state encourages select sectors based on its competitive strength and advantage such as geographical location, available resources, raw material availability, existing manufacturing practices, and growth potential. The policy recognizes twenty-two (22) focus sectors and six (6) sunrise and potential sectors as the primary drivers of economic growth and development. These thrust sectors take into account evolving market dynamics, advancements in innovative technologies, and various other influencing factors thereby shaping future growth in the state.

### Focus Sectors

- Agro & Food Processing
- Handloom & Textiles
- Tourism
- MSMEs
- Electronics Manufacturing
- Data Centers
- Defense & Aerospace
- Warehousing & Logistics
- Dairy & Poultry
- IT/ITeS
- Start-ups
- Electric Vehicles
- Film
- Renewable Energy (Solar)
- Pharmaceuticals
- Civil Aviation
- Biofuel
- Semiconductors

- Animation, Visual effects, & Gaming
- Private Sector Hospitals
- Private Universities/Colleges including Medical & Paramedical Colleges
- Mega Multisector Focused Skill Parks/Hubs

### Sunrise & Potential Sectors

- Green Hydrogen Production
- Capital Goods including Heavy Electrical and Power Equipment, Earthmoving and Mining Machinery, and Process Plant Equipment
- Chemicals including Bulk Chemicals, Specialty Chemicals, Agrochemicals, Polymers, Petrochemicals, and Fertilizers
- Aircraft and Allied Components Manufacturing
- Automobile and Automotive
- Infrastructure Projects including Development of Airports, Pumped Storage Plants, and others not covered under any sectoral policy in Uttar Pradesh



## Major Incentives

Several incentives are provided to manufacturing industries in Uttar Pradesh based on their investment thresholds and employment generation. The below table covers a range of incentives provided to these enterprises:

Incentives	Large	Mega	Super Mega	Ultra Mega
Stamp Duty Exemption	50-100% exemption			
Investment Promotion Subsidy	The company can choose one of the following options:			
(A) Capital Subsidy with Boosters OR	10-15% of ECI* over a period of 10 years with an annual ceiling of INR 50 mn	18-22% of ECI over a period of 12 years with an annual ceiling of INR 100 mn (INR 150 mn with boosters)	20-25% of ECI over a period of 15 years with an annual ceiling of INR 500 mn (INR 750 mn with boosters)	22-30% of ECI over a period of 20 years with an annual ceiling of INR 1,500 mn (INR 2,100 mn with boosters)
(B) Net SGST Reimbursement OR	100% of the net SGST reimbursement for a period of 6 years with an annual ceiling of 16-20% of ECI and an overall ceiling of 80-100% of ECI	100% of the net SGST reimbursement for a period of 12 years with an annual ceiling of 7-25% of ECI and an overall ceiling of 80-300% of ECI	100% of the net SGST reimbursement for a period of 14 years with an annual ceiling of 6-21% of ECI and an overall ceiling of 80-300% of ECI	100% of the net SGST reimbursement for a period of 16 years with an annual ceiling of 5-19% of ECI and an overall ceiling of 80-300% of ECI
(C) PLI Top-up	30% of the Production Linked Incentives (PLI) of the disbursed amount, sanctioned by the Government of India (GOI), capped at 100% of ECI			

*\*Eligible Capital Investment (ECI) includes investment in land, building, new plant and machinery, 40% of old imported plant and machinery costs, infrastructure facilities, and other construction costs.*

*Note: A maximum of 30% of the Total Capital Investment (which includes all the costs mentioned above) will be considered as the total land and building component for arriving at the Total Capital Investment.*

## Important Notes

- Capital Subsidy with Boosters:** The boosters are based on multiple parameters such as gross capacity utilization, average employment, exports, and intra-state procurement of raw materials.
- The government can consider offering tailored packages for incentives on a case-to-case basis, as deemed necessary for projects of special importance, subject to approval by the State Cabinet.



## Additional Key Incentives

- Reimbursement of 50% of the expenditure incurred for registration of patent, copyright, trademarks, and geographical indicators, limited to INR 10 mn.
- 50% of the project cost, limited to INR 100 mn for setting up Centers of Excellence (CoEs). This is only applicable to the initial ten companies that have not claimed any benefits under any of the policies.

## Incentives for MSMEs under the Uttar Pradesh Micro, Small and Medium Enterprises Promotion Policy 2022

- A separate policy has been launched by the State Government covering incentives to MSMEs
- The eligibility criteria to avail this incentive is a minimum investment in plant & machinery up to INR 500 mn and turnover up to INR 2,500 mn
- Below are the high-level major incentives available to MSMEs as per this policy:

Capital Subsidy	Capital subsidy of 15-25%, limited to INR 40 mn
Interest Subsidy	50% interest subsidy for five years, subject to a ceiling of INR 2.5 mn (applicable only for micro units)
Stamp Duty Exemption	50-100% exemption

Additional incentives are also available for promoting quality improvement (financial assistance up to 75%), and promoting environment improvement measures (financial assistance up to 50%).

## Other Key Policies

### UP Pharmaceutical and Medical Device Policy 2023

The policy focuses on promoting pharmaceutical and medical devices parks, creating a laboratory ecosystem, emphasizing research and development, and fostering innovation and start-ups. The policy aims to reduce dependence on foreign sources for medical devices, equipment, and raw materials required for producing drugs. The major incentives include 50-100% stamp duty exemption on land purchase and a capital subsidy up to 15% for developing common infrastructure in private pharmaceuticals, capped at INR 250 mn.

### Uttar Pradesh Food Processing Industry Policy 2023

The objective of the policy is to bolster the state's food processing sector by offering various concessions and incentives across different business categories. The key incentives include capital investment subsidy of up to 35%, capped at INR 50 mn, 100% waiver of stamp duty and 'mandi' fees, and a 25% freight subsidy on exports.

### Uttar Pradesh Electric Vehicle (EV) Manufacturing Policy 2022

The policy aims to position Uttar Pradesh as a global center for the development and manufacturing of electric mobility, fostering the shift towards an environmentally sustainable transportation system. The incentives target three main segments:

- Charging facility creation (up to 20% capital subsidy, limited to INR 1 mn per charging station)
- Manufacturing (10-30% capital subsidy for establishing EV manufacturing projects)
- Adoption of EVs (10-15% of the ex-factory cost for vehicle purchases)

### Uttar Pradesh Electronics Manufacturing Policy 2020

The policy seeks to position Uttar Pradesh as a top choice for the electronics industry, fostering the growth of Electronics System Design and Manufacturing (ESDM) parks for both domestic and foreign investors. The key incentives comprise a 5% interest subsidy for five years, capped at INR 10 million per annum, 100% stamp duty exemption, 50% electricity exemption, etc.

#### Sources:

<https://invest.up.gov.in/>

<https://onlineupsida.com/>

[https://www.niveshmitra.up.nic.in/More\\_Vision.aspx](https://www.niveshmitra.up.nic.in/More_Vision.aspx)

<https://www.investindia.gov.in/state/uttar-pradesh>



# Want to know more about Doing Business in India?

[Explore Now](#)



## Incentives Support Services

Over the years, the Government of India (GoI) has introduced several initiatives (such as Make in India, Startup India, Digital India) to promote industrial enterprise development. The GoI launched the Atmanirbhar Bharat (Self Reliant India) initiative, inviting businesses to set up their manufacturing operations in India.

India's Central (or Federal) Government's incentives focus on promoting global trade and boosting

specific industries, supplemented by State Government incentives, which aim to attract regional investment, leading to a reduction in Operational Expenditure (OpEx). The incentives are based primarily on the size of the investment, employment generated, and region selected for the project.

Nexdigm helps investors understand and benefit from the full spectrum of incentives offered for new investments as well as expansion of existing units.

### The Nexdigm Advantage



Senior advisors with government industrial department experience



Procedural knowledge to avoid pitfalls



Hands-on experience across industries and states



End-to-end greenfield set-up experience



Implementation support to receive sanctioned incentives

### Government Incentives



Central or Federal Level



State Level



Export



Tax



Industry Specific



Capital Subsidy



Electricity Duty



Tax Concession



Interest Subsidy



Duty Scrips



Tariff Concession



Electronics



Medical Devices



Food Processing



Textiles



Pharmaceuticals



Automobiles

### Select Success Stories



#### Auto Components

Assisted an auto component manufacturer to obtain in-principle approval for a customized incentives package, valued at 50% of the investment, by presenting the benefits of the expansion to the relevant authorities.



#### Textiles

Supported a European nonwoven fabric manufacturer to receive central and state incentives grants valued at ~40% of the total project cost. This included policy advocacy with authorities to allow the incentives to extend to non-conventional textile operations.

# About Nexdigm

Nexdigm is an employee-owned, privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise enables us to provide customized solutions for our clients.

We provide integrated, digitally driven solutions encompassing Business and Professional Services, that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE, and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/IEC 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications, World Commerce and Contracting, Everest Group Peak Matrix® Assessment 2022, for Procurement Outsourcing (PO) and Finance and Accounting Outsourcing (FAO), ISG Provider Lens™ Quadrant 2023 for Procurement BPO and Transformation Services and Global Sourcing Association (GSA) UK.

**Nexdigm** resonates with our plunge into a new paradigm of business; it is our commitment to **Think Next**.

USA Canada Poland UAE India Hong Kong Japan

[www.nexdigm.com](http://www.nexdigm.com)

Reach out to us at [ThinkNext@nexdigm.com](mailto:ThinkNext@nexdigm.com)

Follow us on



Listen to our  
podcasts on all  
major platforms

This document contains proprietary information of Nexdigm and cannot be reproduced or further disclosed to others without prior written permission from Nexdigm unless reproduced or disclosed in its entirety without modification.

Whilst every effort has been made to ensure the accuracy of the information contained in this document, the same cannot be guaranteed. We accept no liability or responsibility to any person for any loss or damage incurred by relying on the information contained in this document.