

Incentives for Micro and Small Enterprises under IDP 2020-23

S.No	Category	Incentives (IDP 2020-23)
1	Investment Subsidy	15% Investment Subsidy on Fixed Capital Investment limited up to ₹20 lakh, whichever is lower. The subsidy will be released only after 3 years of continuous operation with at least 80% efficiency in all parameters i.e. employment, production etc.
2	Interest Subsidy	Interest subsidy of 3% on the term loan taken for fixed capital investment by new MSEs for 5 years from the date of commencement of commercial production
4	Stamp Duty	<ul style="list-style-type: none">• Reimbursement of 100% stamp duty and Transfer duty paid by the industry on purchase of land meant for Industrial use.• Reimbursement of 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations
5	Land Conversion charges	Reimbursement of 25% land conversion charges for Industrial use limited to ₹10 lakh
6	Net SGST reimbursement	Reimbursement of 100% of net SGST accrued to state for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier

Incentives for Medium, Large and Mega Enterprises under IDP 2020-23

S.No	Category	Incentives (IDP 2020-23)								
1	Investment Subsidy	15% Investment Subsidy on Fixed Capital Investment limited up to ₹20 lakh, whichever is lower. The subsidy will be released only after 3 years of continuous operation with at least 80% efficiency in all parameters i.e. employment, production etc.								
2	Interest Subsidy	Interest subsidy of 3% on the term loan taken for fixed capital investment by new MSEs for 5 years from the date of commencement of commercial production								
3	Land Conversion charges	Reimbursement of 25% land conversion charges for Industrial use limited to ₹10 lakh								
4	Net SGST reimbursement	<p>Reimbursement of 100% of net SGST accrued to state for a period of 5 years or 100% fixed capital investment, whichever is lower, from the date of commencement of commercial production earlier linked to employment</p> <table border="1"> <thead> <tr> <th>Direct Employment Generated</th> <th>SGST reimbursed</th> </tr> </thead> <tbody> <tr> <td><1000</td> <td>50%</td> </tr> <tr> <td>1000 to 2000</td> <td>75%</td> </tr> <tr> <td>2000+</td> <td>100%</td> </tr> </tbody> </table>	Direct Employment Generated	SGST reimbursed	<1000	50%	1000 to 2000	75%	2000+	100%
Direct Employment Generated	SGST reimbursed									
<1000	50%									
1000 to 2000	75%									
2000+	100%									

Special Package for Women Entrepreneurs belonging to Backward Classes / Minority Communities

S.No	Category	Incentives (IDP 2020-23)
1	Investment Subsidy	35% investment subsidy on fixed capital Investment limited to Rs.50 Lakhs for MSEs. The subsidy will be released only after 3 years of continuous operation with at least 80% efficiency in all parameters i.e. employment, production etc.
2	Interest Subsidy	Interest subsidy of 3% on the term loan taken on the fixed capital investment for a period of 5 years from the date of commencement of commercial production for MSEs.
3	Power Subsidy	Fixed power cost reimbursement @ ₹1.25 per unit for a period of five years from the date of commencement of commercial Production
4	Stamp Duty	<ul style="list-style-type: none"> • 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use. • 100% reimbursement of Stamp duty for Lease of Land/Shed/Buildings and mortgages and hypothecations.
5	Rebate Land Cost	<ul style="list-style-type: none"> • 50% rebate in land cost limited to 20 lakhs in Industrial Estates/Industrial Parks for MSEs.
6	Land Conversion charges	<ul style="list-style-type: none"> • 25% Land conversion charges for the industrial use limited to 10 lakhs for MSEs.
9	Net SGST reimbursement	<ul style="list-style-type: none"> • Reimbursement of 100% net SGST to Micro and Small Enterprises* • Reimbursement of 75% net SGST to medium enterprises* • Reimbursement of 50% SGST to large enterprises* <p>*for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.</p>

The provisions in the package are applicable for Women Entrepreneurs belonging to Backward Classes /Minority Communities who establish manufacturing units as sole Proprietor or invariably having 100% share in Partnership/Private Limited Companies and provide employment to a minimum of 10 people.

Special Package for Entrepreneurs belonging to Scheduled Caste /Scheduled Tribe Communities under Badugu Vikasam (Spl. Incentive package)

S.No	Category	Incentives (IDP 2020-23)	
		Manufacturing	Service Sector and Transport
1	Investment Subsidy	45% (Limited to Rs. 75 Lakhs)	45% (limited to Rs. 1 Crore)
		Investment subsidy on fixed capital Investment for MSEs. The subsidy will be released only after 3 years of continuous operation with at least 80% efficiency in all parameters i.e. employment, production etc.	
2	Interest Subsidy	Interest subsidy upto 9% and above 3% for 5 years on the term loan taken on the fixed capital investment for a period of 5 years from the date of commencement of commercial production for MSEs.	
3	Power Subsidy	Fixed power cost reimbursement @ ₹1.5 per unit for a period of five years from the date of commencement of commercial Production	
4	Stamp Duty	<ul style="list-style-type: none"> • 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use. • 100% reimbursement of Stamp duty for Lease of Land/Shed/Buildings and mortgages and hypothecations. 	
5	Rebate Land Cost	<ul style="list-style-type: none"> • 50% rebate in land cost limited to 20 lakhs in Industrial Estates/Industrial Parks for MSEs. 	
6	Land Conversion charges	<ul style="list-style-type: none"> • 25% Land conversion charges for the industrial use limited to 10 lakhs for MSEs. 	
7	Quality certification	<ul style="list-style-type: none"> • 100% of the cost incurred for Quality Certification /Patent 	
8	Seed capital Assistance	<ul style="list-style-type: none"> • 25% of Machinery cost as Seed Capital Assistance for first generation entrepreneur for establishing Micro units 	
9	Net SGST reimbursement	<ul style="list-style-type: none"> • Reimbursement of 100% net SGST to Micro and Small Enterprises* • Reimbursement of 75% net SGST to medium enterprises* • Reimbursement of 50% SGST to large enterprises* <p>*for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.</p>	