Hill Policy 2008

Special Integrated Industrial Promotion Policy – 2008

for Hilly & Remote Areas of Uttrakhand

Industries Association of Uttarakhand

Chartered Accountants Society

R I S H I K E S H

Industries Eligible for the Scheme

1.

Non-polluting *manufacturing industries* under **Green** and **Orange** Categories.

(Classification as per Ministry of Environment & Forests, Government of India)

2.

Activities notified by Central Government as **Thrust Sector Industries** under *Special package for the state*

3.

Activities *recognized by State Government as* **Industry** *such as* **Tourism activities** *etc.*

4.

Following service sector and other sector activities covered under Special Industrial Package -2007 for North-East States.

- **Hotels**, **Adventurous** and **recreational sports** and **Rope-way**.
- **Nursing Homes** equipped with **Medical and Health Facilities.**
- **Vocational Training Institutes** such as **Hotel Management**, **Catering and Food Craft**, **Entrepreneurship Development Training**, **Nursing and Paramedical**, **Training related to Civil Aviation, Fashion Designing** and **Industrial and Skill Development Training.**

5.

Bio-Technology Industry

6.

Protected Agriculture/Poly House, Cold Storage Activities

7.

Petrol & Diesel pumping Station and Gas Godown

Classification of Hilly & Remote Areas

Category A

All of the Area of Districts

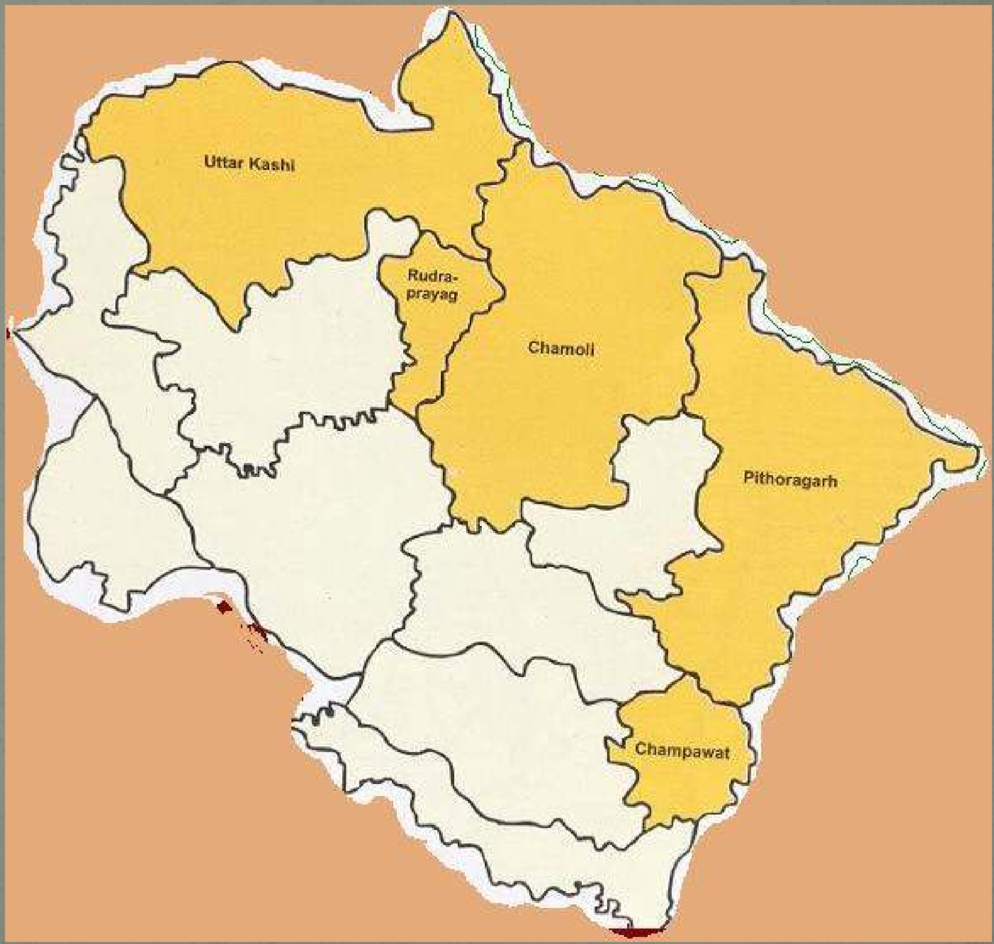
Pithoragarh

Uttarkashi

Chamoli

Champavat

Rudraprayag



Category B

All of the Area of Districts

Pauri Garhwal

Tehri

Almora

Bhageshwar

Dehradun *except* Vikas Nagar, Doiwala, Sahaspur *and* Raipur *Development Blocks*

Nainital *except* Haldwani *and* Ram Nagar *Development Blocks*

Residents of the state will get all the benefits of Category A irrespective of fact whether the unit is set-up in Category A or B

Validity of the Scheme

10 Years

From 1st April 2008
to 31st March 2018

Eligibility under the Scheme

- ✓ Newly Set-up Unit
- ✓ Set-up after 1st April 2008
- ✓ Registered with DIC/Filed IEM with GOI

Land Resources Development Promotion Scheme

Full Exemption from Stamp Duty

on

-Lease Deed on taking land on lease *or*

on

- Sale Deed on purchasing land

in Industrial Areas *developed by*

State Govt. / Private Enterprenuers

Full Exemption from Stamp Duty

on

Sale Deed on purchasing land

outside Industrial Areas

Promoting Co-operative Societies for maintenance of Industrial Areas

- ✓ Co-operative Society formed by Industrialists
- ✓ State Govt. will give **Grant in Aid** in ratio of Capital Contribution (5 times of member contribution, maximum of Rs. 15 Lacs)
- ✓ Money to be kept in FDRs, Intt. used for maintenance

Promoting Private Industrial Areas

- ✓ Minimum Land Required 2 acres.

- ✓ Grant in aid of 50% of Total Expenditure on Infrastructure Facilities (maximum of Rs. 50 Lacs)

Special State Capital Investment Subsidy

Investment eligible for Capital Investment Subsidy

Investment in

- ✓ *Workshop Building*
- ✓ *Plant*
- ✓ *Machinery*
- ✓ *Equipments*

Amount of Subsidy

Category A :

25 % of Eligible Investment

(maximum Rs. 30 Lacs)

Category B :

20 % of Eligible Investment

(maximum Rs. 25 Lacs)

Special Interest Subsidy

Subsidy on Interest paid on Loans to Banks/Financial Institutions

Category A :

Up to 6 % of Normal rate of Interest

(maximum Rs. 5 Lacs per unit per year)

Category B :

Up to 5 % of Normal rate of Interest

(maximum Rs. 3 Lacs per unit per year)

Exemption in Power Bill

For approved activities 10 year 100% exemption *may* be given from Electricity Bill of :

✓*Manufacturing Process in case of Manufacturing units*

✓ *Office and Service units in case of Service Sector*

Not Eligible:

- ✓ *Hotels/Motels*
- ✓ *Resorts*
- ✓ *Guest House*
- ✓ *Steel Rolling Mills*
- ✓ *Electric Furnace*
- ✓ *Other units consuming excess electricity*

Preference will be given to:

- ✓ *Industries based on*
  - ❖ *Fruits Conservation*
  - ❖ *Herbs*
  - ❖ *Local Products*
- ✓ *Non-polluting Industries*

Re-imbursement of VAT

VAT on sale of manufactured goods will be reimbursed to manufacturing units

Category A :

90 % of Total VAT Payable

Category B :

75 % of Total VAT Payable

Special State Transport Subsidy

Category A :

5 % of Annual Turnover (Maximum 5 Lac)

Category B :

3% of Annual Turnover (Maximum 3 Lac)

** Annual Turnover to be verified from VAT Return*

Subsidy for Expenditure on Certification

75% of expense on:

- ✓ *ISO Certification*
- ✓ *ISI Certification*
- ✓ *Quality Marking*
- ✓ *BIS*
- ✓ *FPO License*
- ✓ *Trademark*
- ✓ *Patent*
- ✓ *Copyright registration*

** Maximum of Rs. 1 Lac*

Limits of Subsidy/Assistance

Total Subsidy/Assistance under Scheme not to exceed:

- *60 % of Total Capital Investment in the unit*

or

- *Maximum of Rs. 60 Lacs*

The Overall Picture

Major Capital Cost met by State

- Subsidy on Investment in Plant and Machinery:
  - ✓25 % of Investment under Hill Policy
  - ✓15 % of Investment under Industrial Package
    - So he has to bear only 60% of Cost of Plant and Machinery
- 50% cost of Infrastructures met by State *(in case of mega projects)*
- 75% Expenses on Intellectual Property reimbursed by State
- Stamp Duty on Land Purchase/Lease waived

Major Running Exp. met by State

- Transport Expenses reimbursed by State
- 100% Electric Expenses Waiver
- At current rates, half of Interest Expense borne by State

Making it a No-Tax Regime, a Tax Heaven

- 100% Income Tax Holiday under section 80IC
  - ✓33 % of Profits are saved

(MAT will be payable)

- 100% Excise Duty Exemption

- 90 % VAT payback

Thank You