

## BANGLASHREE FOR MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)



**Banglashree** specifically for Micro, Small and Medium Enterprises (MSMEs) applicable for manufacturing sector is effective on and from the 1<sup>st</sup> April 2020 applicable in the whole state of West Bengal and remains valid for a period of 5 years ending on 31<sup>st</sup> March, 2025.

MSMEs means MSMEs as defined in MSME Act 2006.

### Eligible Enterprise & Investment

The units may be in the private sector, cooperative sector and joint sector undertaking as also companies/undertakings owned and managed by the State Government and the Industrial SHGs.

MSME units which have started production on or after 1<sup>st</sup> day of April 2019 and made investment in Plant & Machinery (Fixed Capital Investment) on or after 1<sup>st</sup> day of April 2018 is covered under the scheme.

***MSME units which have started production between 1<sup>st</sup> April 2018 and 31<sup>st</sup> march 2019 shall be covered under previous scheme i.e. WBIS 2013 for MSMEs.***

Entire State of West Bengal is classified into five zones for ascertainment of type and quantum of subsidy available in different areas.

### **-: A statement showing classification of the zones :-**

<b>Zones</b>	<b>Areas</b>
Zone - A	Kolkata Municipal Corporation area, All Municipal areas of North 24 Parganas, All municipal areas of South 24 Parganas, All municipal areas of Howrah.
Zone - B	District of Hooghly, North 24 Parganas (excluding municipal areas and Sundarban areas), South 24 Parganas (excluding municipal areas and Sundarban areas), Howrah (excluding municipal areas), Siliguri Municipal Corporation, Municipal corporation/Municipal areas of Paschim Medinipur, Purba Medinipur, Purba Bardhaman, Paschim Bardhaman & Nadia.
Zone - C	District of Purba Bardhaman, Pachim Bardhaman (excluding municipal corporation/municipal areas), Purba Medinipur (excluding municipal corporation/municipal areas), Nadia (excluding municipal corporation/municipal areas), Malda, Jalpaiguri, Murshidabad and Darjeeling (excluding Siliguri Municipal Corporation), Kalimpong, Alipurduar.
Zone - D	District of Birbhum, Purulia, Bankura, Paschim Medinipur (excluding Municipal corporation/municipal areas), Uttar Dinajpur, DakshinDinajpur, and Sundarban areas of South and North 24 Parganas districts and Jhargram.
Zone-E	Cooch Behar District

## Types of Subsidy Available

### 1) State Capital Investment Subsidy

Type of Enterprise	Zone	Percentage / Max. Limit
Micro Enterprise	Zone C	25% of the FCI (No Upper Limit)
Micro Enterprise	Zone D	40% of the FCI (No Upper Limit)
Micro Enterprise	Zone-E	60% of the FCI (No Upper Limit)
Small Enterprise	Zone- C	15% (Up to Rs. 50 Lakh)
Small Enterprise	Zone- D	30% (Up to Rs. 50 Lakh)
Small Enterprise	Zone-E	40% (Up to Rs 75 Lakh)

#### **Key points:**

- ✓ Fixed Capital Investment (FCI) means investment made in plant & machinery in an approved project of the eligible unit/enterprise on or after 1<sup>st</sup> April, 2018.
- ✓ 20% additional subsidy on capital investment subsidy for all Micro and Small enterprises wholly owned by Women, SC/ST and minority community entrepreneurs.
- ✓ SC/ST and Women entrepreneurs will be entitled to Capital Investment subsidy for setting up of units in Zone A & B as follows: Micro Unit – 15% & Small Unit – 10% of FCI.
- ✓ The Subsidy normally admissible and additional subsidy taken together will not exceed Rs. 50.00 Lakh for a small enterprise located in Zone C & D area & will not exceed Rs 75 Lakh for a small Enterprise located in Zone E area.

### 2) Interest Subsidy on Term Loan

#### ↗ **Micro & Small Enterprise:**

Zone – A & B: 55% of Interest liability for 5 years.

Zone – C, D & E: 70% of Interest liability for 5 years.

#### ↗ **Medium Enterprise:**

Zone – B, C, D & E: - The interest subsidy will be 25% of total Term Loan interest paid by the enterprise for 5 years up to Rs. 175 Lakh per year.

### 3) Waiver / Refund of Electricity Duty

#### ↗ **Micro & Small Enterprise:**

- ✓ 50% waiver of electricity duty for Zone - A & B and 75% for Zone C, D & E for 5 years.
- ✓ 100 % waiver for 5 years – in case of unit is wholly owned by women, SC/ST & minority community entrepreneurs irrespective of the Zone.

✦ **Medium Enterprise:**

- ✓ Zone B & C – 100 % waiver of electricity duty for 5 years up to Rs. 25.00 Lakh per year.
- ✓ Zone D & E – 100 % waiver of electricity duty for 5 years and 75 % waiver from the 6<sup>th</sup> year up to 10<sup>th</sup> year up to Rs. 50.00 Lakh per year.

**In all cases benefit starts from the date of commencement of commercial production.**

4) Power Subsidy

✦ **Micro, Small, and Medium Enterprise:**

- ✓ Subsidy of Re. 1.00 / Kwh for unit comes under Zone: A & B.
- ✓ Subsidy of Rs. 1.50/ Kwh for unit located in Zone C, D & E
- ✓ Maximum benefit is Rs. 10.00 Lakh for Micro enterprise, Rs 20 Lakh for small enterprises, Rs. 30 Lakh for medium enterprises per year which is payable annually.
- ✓ Benefit starts from the date of commencement of production for 5 years.

5) Subsidy for State Goods and Services Tax (SGST)

An eligible micro, small and medium enterprise for its approved project will be entitled to refund of net SGST paid to the Government of West Bengal as follows:

**Benefits:**

- ✓ Zone B, & C: Refund of 30% of Net SGST paid for 8 years.
- ✓ Zone D & E- Refund of 50% of Net SGST paid for 8 years.
- ✓ Benefit starts from the date of commencement of commercial production. Cumulative refund of SGST shall not exceed 75% of fixed capital investment.

6) Other Benefits available under this scheme are as follows

- ❖ Incentive for Energy Efficiency: Up to Rs. 2.00 Lakh.
- ❖ Subsidy on Stamp Duty & Registration Fee:

✦ **Micro & Small Enterprise:**

100% for Zone D & E, 75% for Zone C, 50% for Zone B and 25% for Zone A

✦ **Medium Enterprise:**

Under Zone B, C, D & E @ 75%

- ❖ Subsidy for Water Conservation / Environment Compliance: Up to Rs. 2.00 Lakh.
- ❖ Subsidy for Std. Quality Compliance Micro & Small Enterprise: Up to Rs. 5.00 Lakh.
- ❖ Subsidy for Patent Registration: Up to Rs. 5.00 Lakh.

- ❖ Work Force Welfare Assistance: For Micro, Small & Medium Enterprise: Reimbursement of 100% in 1st year & 75% in the remaining applicable years of expenditure incurred towards Employees State Insurance (ESI) and Employees Provident Fund (EPF) if **at least 50% of the employees in the enterprise are recruited from amongst the persons registered with Employment Bank of the State.**

## 7) Incentive in case of Expansion Project of Existing Enterprises:

**Meaning of Expansion Project:** “Expansion of existing enterprise “means expansion for the same item(s) of production within its existing approved capacity or for expansion for enlarged approved capacity or for manufacture of a new item with an approved capacity:

An existing eligible micro, small or medium scale enterprise will be entitled for incentives for their expansion project subject to fulfillment of applicable condition, which is as under:

### **Applicable Conditions:**

- ❖ Fixed capital investment to be made on expansion project shall be at least 25% of the net value of fixed capital investment as on 31.03.2019.
- ❖ At least 15% Additional Employment has to be generated due to the expansion.

### **Applicable Incentives:**

- ❖ State Capital Subsidy: As applicable for Original Project.
- ❖ Interest Subsidy: As applicable for Original Project.
- ❖ Expansion project is not eligible for Power Subsidy, Waiver / Refund of Electricity Duty, Stamp Duty & Registration Fees and SGST.
- ❖ Other Misc. Subsidy: As applicable for Original Project.

## 8) Negative List of Industries

Bangladesh for Micro, Small and Medium Enterprises (MSMEs) is not applicable in case of the following industries:

- ✓ Sponge Iron Factory.
- ✓ Bricks (Excluding Fly Ash bricks, Sand lime Bricks, Refractory Bricks).
- ✓ Any other industry notified by the State Govt. for its inclusion in this list.

Complied By:

### **Team Suvidha**

Suvidha Consultantancy

14, S P Mukherjee Road, “Shree Balaji Sadan”,  
3<sup>rd</sup> Floor, Kolkata – 700 025.

Mobile No: 84206-75402/ 91637-66967 /99034-63477

Email: [suvidha@suvidhaconsultants.com](mailto:suvidha@suvidhaconsultants.com)

Website: [www.suvidhagroup.in](http://www.suvidhagroup.in)