

Banglashree for Micro, Small and Medium Enterprises (Banglashree for MSMEs)

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

MSMEs means MSMEs as defined in MSME Act 2006 and as amended from time to time.

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 1st day of April 2019 and made investment in Plant & Machinery (Fixed Capital Investment) on or after 1st day of April 2018 is covered under the scheme.

MSME units which have started production between 1st April 2018 and 31st 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	
Zones	Areas
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 (excluding municipal corporation/municipal areas), Paschim 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, Dakshin Dinajpur, 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
Micro Enterprise	Zone D	40% of the FCI
Micro Enterprise	Zone-E	60% of the FCI
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 1st 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, Women and Minority 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 75.00 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. 175.00 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. (maximum of Rs. 10 lacs per annum)

- **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 6th year up to 10th year up to Rs. 50.00 lakh per year.

Electricity Duty 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 20.00 lakh for small enterprises, Rs. 30.00 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) Incentive for Energy Efficiency

- **Micro and Small Enterprise:**

- ✓ 50% reimbursement of the cost of energy audit undertaken by a certified agency to be available after implementation of the recommendations.
- ✓ 25% reimbursement of the cost of installations for energy conservation as per energy audit subject to a ceiling of Rs. 2.00 lakh.

7) Subsidy on Stamp Duty & Registration Fee

- **Micro & Small Enterprise:**

Zone – A: 25%

Zone - B: 50%

Zone – C: 75%

Zone – D & E: 100%

- **Medium Enterprise:**

Under Zone B, C, D & E @ 75.00%

8) Subsidy for Water Conservation / Environment Compliance

- **Micro or Small Enterprise:**

- ✓ Reimbursement of 50% of expenditure incurred by an eligible unit towards cost of captive Effluent Water Treatment Plant (Max Rs. 2.00 lakh) for water conservation/ pollution control devices.

9) Subsidy for Standard Quality Compliance

- **Micro or Small Enterprise:**

- ✓ 50% of cost subject to a ceiling of Rs. 5.00 lakh for obtaining ISI/ BIS certification / ISO-9000/ ISO-14000/ISO – 14001 / ISO-18000/ISO – 22000/HACCP certification from approved Institutions / Research Laboratories.

10) Work Force Welfare Assistance

Micro, Small and Medium Enterprises are eligible for reimbursement of expenditure incurred towards employers' contribution on account of ESI and EPF.

Number of years-

Zone-B- 5 Years

Zone-C- 7 Years

Zone-D- 9 Years

Quantum of reimbursement – 100% in first year and 75% in remaining years.

Condition- recruitment of at least 50% employees who are registered with Employment Bank of the State.

11) Subsidy for Patent Registration

- **Micro, Small & Medium Enterprise:**

- ✓ Reimbursement of 50% of the expenditure incurred by it for obtaining Patent Registration for its products subject to a maximum of Rs. 5.00 lakh.

12) 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 and medium enterprise will be entitled for incentives for their expansion project subject to fulfilment of applicable conditions which are 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. However in respect of enterprises which are set up on or after 01.04.2019, such date will be the date immediately prior to the date on which the enterprise goes for expansion.
- ✓ 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.

13) Negative List of Industries

Banglashree for 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 industries notified by the State Govt. for its inclusion in this list.

Statement showing zone-wise subsidy/incentive applicable for all MSMEs is as under

Sl. No.	Types of Subsidy	Z o n e				
		A	B	C	D	E
1.	State Capital Investment Subsidy	-	-	Micro, Small	Micro, Small	Micro, Small
2.	Interest Subsidy	Micro, Small	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
3.	Electricity Duty Waiver	Micro, Small	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
4.	Stamp Duty and Registration Fees	Micro, Small,	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
5.	SGST	-	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium
6.	Power Subsidy	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium	Micro, Small, Medium