



New Industrial Policy Implemented in the State: Entrepreneurs will Now get Subsidy in Instalments, Not One Time

Why in News?

On September 13, 2023, Nainital District Industries General Manager of Uttarakhand, S.K. Pant said that a new industrial policy has been implemented in the state, under which instead of a one-time subsidy on completion of the project, it will now be distributed in installments.

Key Points

- In the new policy, the slabs have been changed and divided into four categories instead of five. A and B categories include hilly districts and C and D categories include most of the plain areas.
- To promote micro, small and medium industries, capital subsidy and interest have also been increased in the scheme.
- It is known that in a major change in the new policy made in August, subsidy on investment up to Rs 1 crore will be given in two installments within two years in micro category industries. Investments ranging from Rs 1 crore to Rs 50 crore will get subsidy in five installments within five years.
- The new rule also states that investors in primary and very primary category manufacturing enterprises of natural fibre, products marked in one district or two products, manufacturing enterprises of GI tagged products and food processing enterprises will also get additional capital support as per the rules.
- Apart from this, Scheduled Caste, Tribe and women entrepreneurs have been included in the very priority category for encouragement. Under this, additional subsidy will be given up to a maximum limit of Rs 10 lakh for investments of Rs 1 crore, Rs 15 lakh for investments between Rs 1 to Rs 10 crore and Rs 20 lakh for investments of Rs 10-50 crore.
- It is known that in the previous industrial policy, a subsidy up to Rs 40 lakh, i.e. up to 40 percent, was being given in A category (capital investment). There was a provision of subsidy up to Rs 35 lakh in B category, Rs 30 lakh in C category and Rs 15 lakh in D category.
- In the new policy of MSME, a rule has been made to give 50 percent subsidy to those investing up to Rs 1 crore in A category. Apart from 50 percent profit on investment between Rs 1 to 5 crore, there will be an additional profit of 25 percent on investment above that, the maximum limit of which has been kept at Rs 1.50 crore. In this category, the limit of subsidy has been kept at a maximum of Rs 2.5 crore for investments of Rs 5-10 crore and a maximum of Rs 4 crore for investments of Rs 10 to 50 crore.
- Similarly, 40 percent subsidy will be available on investment up to Rs 1 crore in B category, 30 percent subsidy on investment up to Rs 1 crore in C category and Rs 20 lakh on investment up to Rs 1 crore in D category. On top of this, there is a provision for additional subsidy on investment also.

