

## V. INCENTIVES

To foster an inclusive and sustainable industrial ecosystem that ushers in Industry 4.0 and promotes investment and innovation, an incentive structure has been designed to cater to the needs of the industrial enterprises in the 22 'Priority Sectors' identified above.

(i) **The following incentives are identified under this policy;**

Sl. No.	Incentive Category	* Project Category	Description
1	Low interest loans	MSME	Loan @ 4% interest subject to a maximum of Rs. 10 Lakh (via interest subvention upto 6%)
2	Capital subsidy incentive	MSME	<ul style="list-style-type: none"> <li>• Micro – upto 45%, subject to a maximum of Rs. 40 Lakh</li> <li>• Small – upto 45%, subject to a maximum of Rs. 100 Lakh</li> <li>• Medium – upto 45%, subject to a maximum of Rs. 200 Lakh</li> </ul>
3	Electricity Duty Exemption	MSME	100% exemption for 5 years.
4	Access to finance through IPO route	MSME	Reimbursement of 50% expenses subject to a maximum of Rs. 1 Cr., incurred on floating Public Issue through the SME platform of NSE & BSE, provided the funds thus raised are utilized for setting up/ expanding enterprise in the State.
5	Investment subsidy	Large, Mega	Investment subsidy of 10% on fixed capital investment, subject to a maximum of Rs. 10 Cr., in phases.
6	SGST reimbursement	Large, Mega	100% reimbursement on capital investment for 5 years.

7	Employment Enhancer Incentive	Large, Mega	<ul style="list-style-type: none"> <li>When more than 50% of permanent jobs are filled from local population, an amount equivalent to 25% of the monthly wages of each additional employment thus created, subject to a maximum of Rs.5000/- per month per person, shall be reimbursed to the employer, for one year.</li> <li>When more than 50% of permanent employees are women, an amount equivalent to 25% of the monthly wages of each additional employment thus created, subject to a maximum of Rs.5000/- per month per woman employee, shall be reimbursed to the employer, for one year.</li> <li>When permanent employment is provided to transgenders of the State, reimbursement will be provided to the employer for one year, at the rate of Rs.7500/- per month per transgender employee.</li> </ul>
8	Waiver of Stamp Duty & Registration charges for manufacturing units	All category	<ul style="list-style-type: none"> <li>Up to 100% on lease deed/ purchase of land/ building for setting up manufacturing unit in Government Industrial Parks and notified Private Industrial Parks.</li> <li>For Women, SC/ST, PH &amp; Transgender entrepreneurs - Up to 100% on lease deed/ purchase of land/ building for setting up manufacturing unit anywhere in the State.</li> </ul>
9	Private Industrial Estates	All category	Funding support upto Rs.3 Cr. for infrastructure development.
10	Incentive for participation in trade fairs	All category	Reimbursement up to 100% of the stall charges incurred, subject to a maximum of Rs. 5 Lakh for participating in one domestic and one international fair/ exhibition per annum
11	Intellectual Property creation	All category	Reimbursement of 50% of expenditure incurred, subject to a maximum of Rs. 30 Lakh, for patent, copyright, trademarks, GI registration, etc.
12	Quality certification incentive	All category	Refund of expenses incurred for compulsory marking like CE, FDA, ISO, BIS, etc., to the extent of 50% of expenses, subject to a maximum of Rs. 25 Lakh per unit per annum.
13	Incentives for sustainability and responsible industrialization	All category	Reimbursement of 25% of expenses incurred for purchase of Plant & Machinery/equipment for setting up ETP, installations for substitution of power from grid, rainwater harvesting, Zero Discharge technologies, recycling of e-waste and recycling of wastewater, conducting audits for energy and water conservation & purchase of material for such conservation, excluding the expenditure incurred for civil works, subject to a maximum of Rs.25 Lakh during the policy period.

14	IR 4.0 initiatives in manufacturing	All category	20% reimbursement of cost of software (big data analytic tools), machinery, etc., subject to a maximum of Rs. 25 Lakh/unit during the policy period.
15	R&D Incentive	All category	Funding of 20% of R&D cost for units engaged in R&D with Universities in the State, subject to a maximum of Rs. 1 Cr. per unit.
16	Scale up incentive for Startups	All category	KSIDC shall provide scale-up loans upto Rs. 1 Cr. to Startups in the State.
17	Made in Kerala (Branding & Marketing)	All category	Reimbursement of 50% of the cost incurred in obtaining 'Made in Kerala' certification.
18	Special package to attract PLI investors	All category units in Manufacturing sector	A one-time top-up incentive of 20% of the fixed capital investment, subject to a maximum of Rs 1 Crore, shall be provided for industrial units set up in the State by investors shortlisted under the PLI schemes of Central Government. Such top-up incentive is in addition to other subsidies admissible to the said enterprises.

## \* Project Category

No.		Category	Criteria
1	MSME	Micro Enterprise	Enterprises whose investment in plant & machinery/ equipment does not exceed Rs.1 Crore and turnover does not exceed Rs.5 Crore.
2		Small Enterprise	Enterprises with investment in plant & machinery/ equipment not exceeding Rs.10 Crore and turnover not exceeding Rs.50 Crore.
3		Medium Enterprise	Enterprises whose investment in plant & machinery/ equipment does not exceed Rs.50 Crore and turnover does not exceed Rs.250 Crore.
4	Non MSME	Large Enterprise	Enterprises whose investment in Plant & Machinery/ Equipment exceeds Rs.50 Crore and turnover not exceeding Rs.300 Crore.
5		Mega Enterprise	Enterprises with investment in Plant & Machinery/ Equipment exceeding Rs.300 Crore.

**(ii) Other Incentives**

- a) The government shall consider providing a package of incentives on a case-to-case basis for large, mega and ultra-mega projects of special importance. For this purpose, a High-Power Committee headed by the Chief Secretary will be constituted.
- b) Provision will be made for immediate allotment of land/ infrastructure to companies with 100% Foreign Direct Investment (FDI), in order to attract investments.
- c) After the impact of Covid-19, many organizations are planning to relocate their operations and diversify their supply chains. Special incentives will be considered on a case-to-case basis for such companies planning to shift operations from other countries and states.
- d) As electricity cost is a major operating cost for industries, in order to promote industries, Open Access of renewable energy (Round The Clock/ RTC transactions), wheeling for floating solar projects and adoption of solar roof top systems, etc., shall be promoted.