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File No. 10(3)/2007-DBA-II/NER

Government of India

Ministry of Commerce and Industry

Department of Industrial Policy and Promotion

New Delhi dated the 1st April, 2007

OFFICE MEMORANDUM

Subject: North East Industrial and Investment Promotion Policy (NEIIPP), 2007

The Government has approved a package of fiscal incentives and other concessions for the North East Region namely 'The **North East Industrial and Investment Promotion Policy (NEIIPP), 2007**', effective from 1.4.2007, which, inter-alia, envisages the following:

(i) Coverage :

The North East Industrial Policy (NEIP), 1997 announced on 24/12/1997 covered the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. Under NEIIPP, 2007, Sikkim will also be included. Consequently, the 'New Industrial Policy and other concessions for the State of Sikkim' announced vide O.M. No. 14(2)/2002-SPS dated 23/12/2002 and the Schemes there under i.e. Central Capital Investment Subsidy Scheme, 2002, Central Interest Subsidy Scheme, 2002 and Central Comprehensive Insurance Scheme, 2002, notified vide Notifications No. F. No. 14(2)/2002-SPS dated the 24.12.2002 will be discontinued from 1.4.2007.

(ii) Duration

All new units as well as existing units which go in for substantial expansion, unless otherwise specified and which commence commercial production within the 10 year period from the date of notification of NEIIPP, 2007 will be eligible for incentives for a period of ten years from the date of commencement of commercial production.

(iii) Neutrality of location :

Incentives will be available to all industrial units, new as well as existing units on their substantial expansion, located anywhere in the North Eastern Region. Consequently, the distinction between 'thrust' and 'non-thrust' industries made in **NEIP, 1997** will be discontinued from 1.4.2007.

(iv) Substantial Expansion :

Incentives on substantial expansion will be given to units effecting 'an increase by not less than 25% in the value of fixed capital investment in plant and machinery for the purpose of expansion of capacity/modernization and diversification', as against an increase by 33 ½ % which was prescribed in NEIP, 1997.

(v) Excise Duty Exemption :

100% Excise Duty exemption will be continued, on finished products made in the North Eastern Region, as was available under NEIP, 1997. However, in cases, where the CENVAT paid on the raw materials and intermediate products going into the production of finished products (other than the products which are otherwise exempt or subject to nil rate of duty) is higher than the excise duties payable on the finished products, ways and means to refund such overflow of CENVAT credit will be separately notified by the Ministry of Finance.

(vi) Income Tax Exemption :

100% Income Tax Exemption will continue under NEIIPP, 2007 as was available under NEIP, 1997.

(vii) Capital Investment Subsidy:

Capital Investment Subsidy will be enhanced from 15% of the investment in plant and machinery to 30% and the limit for automatic approval of subsidy at this rate will be Rs. 1.5 crores per unit, as against Rs. 30 lakhs as was available under NEIP, 1997. Such subsidy will be applicable to units in the private sector, joint sector, cooperative sector as well as the units set up by the State Governments of the North Eastern Region. For grant of Capital Investment Subsidy higher than Rs. 1.5 crore but upto a maximum of Rs. 30 crores, there will be an Empowered Committee Chaired by Secretary, Department of Industrial Policy & Promotion with Secretaries of Department of Development of North Eastern Region (DONER), Expenditure, Representative of Planning Commission and Secretary of the concerned Ministries of the Government of India dealing with the subject matter of that industry as its members are also the concerned Chief Secretary/ Secretary(Industry) of the North Eastern State where the claiming unit is to be located.

Proposals which are eligible for a subsidy higher than Rs. 30 crores, will be placed by Department of Industrial Policy and Promotion before the Union Cabinet for its consideration and approval.

(viii) **Interest Subsidy :**

Interest Subsidy will be made available @ 3% on working capital loan under NEIIPP, 2007 as was available under NEIP, 1997.

(ix) **Comprehensive Insurance :**

New industrial units as well as the existing units on their substantial expansion will be eligible for reimbursement of 100% insurance premium

The following industries will not be eligible for benefits under NEIIPP, 2007:-

(x) **Negative List :**

- (i) All goods falling under Chapter 24 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which pertains to tobacco and manufactured tobacco substitutes.
- (ii) Pan Masala as covered under Chapter 21 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).
- (iii) Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests

Notification No. S.O. 705(E) dated 02.09.1999 and S.O. 698 (E) 17.06.2003.

(iv) Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) produced by petroleum oil or gas refineries.

(xi) Incentives for Service/Other Sector Industries

Incentives under NEIIPP, 2007 will be applicable to the following service sector activities/industries:

I. Service Sector :

- (i) Hotels (not below Two Star category), adventure and leisure sports including ropeways;
- (ii) Medical and health services in the nature of nursing homes with a minimum capacity of 25 beds and old age homes;
- (iii) Vocational training institutes such as institutes for hotel management, catering and food crafts, entrepreneurship development, nursing and para-medical, civil aviation related training, fashion, design and industrial training.

A number of tax concessions under the existing provisions of Section 10A and 10AA of the Income Tax Act are already available to the IT sector. However, one of the important impediments to the development of Software Technology Parks or IT related SEZs in the North Eastern Region is the non-availability of trained human resources in the North Eastern Region. Accordingly, tax benefits as is availed under Section 80 IC of the Income Tax Act would be extended to IT related training centres and IT hardware units.

II. Incentives for Bio-technology industry :

The biotechnology industry will be eligible for benefits under NEIIPP, 2007 as applicable to other industries.

III. Incentives for Power Generating Industries :

Power Generating Plants will continue to get incentives as governed by the provisions of Section 81 A of the Income Tax Act. In addition, Power Generating Plants upto 10 MW based on both conventional and non-

conventional sources will also be eligible for Capital Investment Subsidy, Interest Subsidy and Comprehensive Insurance as applicable under NEIIPP, 2007.

(xii) Establishment of monitoring mechanism for implementation of the NEIIPP, 2007:

In order to establish a monitoring mechanism for implementation of NEIIPP, 2007, a 'High Level Committee'/an 'Advisory Committee' under the Chairmanship of Secretary, Department of Industrial Policy and Promotion and comprising Secretaries of the Ministries/Departments of Revenue, Department of Development of North Eastern Region (DONER), Banking and Insurance, Representative of Planning Commission, CMD, NEDFI as well as major stakeholders including the industry associations of the North Eastern region would be constituted. In addition, an 'Oversight Committee' will be constituted under the Chairmanship of the Union Commerce and Industry Minister with Industry Ministers of NE States as its members.

(xiii) Value Addition

In order to ensure genuine industrial activities in the North Eastern Region, benefits under NEIIPP, 2007 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labeling or re-labeling, sorting, alteration or retail sale price etc take place.

(xiv) Transport Subsidy Scheme

The Transport Subsidy Scheme would continue beyond 31.3.2007, on the same terms and conditions. However, an early evaluation of the Scheme will be carried out with a view to introducing necessary safeguards to prevent possible leakages and misuse.

(xv) Nodal agency.

1. The North East Industrial Development Finance Corporation (NEDFI) will continue to act as the nodal agency for disbursal of subsidies under NEIIPP, 2007.
2. The 'New Industrial Policy and other concession in the North Eastern Region' announced vide O.M. No. EA/1/2/96-IPD, dated 24.12.1997 (NEIP, 1997) will cease to operate with effect from 1.4.2007. Industrial Units which have commenced commercial production on or before 31.3.2007 will continue to get benefits/ incentives under NEIP, 1997.
3. Government reserves the right to modify any part of the Policy in public interest.
4. All concerned Ministers/ Departments of the Government of India are requested to amend their respective Acts/rules/notifications etc. and issue necessary instructions for giving effect to these decisions.

(N.N. Prasad)

Joint Secretary to the Government of India

SIKKIM

GOVERNMENT



GAZETTE

EXTRAORDINARY

PUBLISHED BY AUTHORITY

Gangtok, Tuesday 1st May, 2007

No.165

LAW DEPARTMENT
GOVERNMENT OF SIKKIM
GANGTOK

No.11/LD/P/07

Date: 01.05.2007

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on the 16th day of April, 2007 is hereby published for general information:

THE SIKKIM INDUSTRIAL PROMOTION AND INCENTIVE (AMENDMENT) ACT, 2007 (Act No.11 of 2007)

AN ACT

Further to amend the Sikkim Industrial Promotion and Incentive Act 2000

BE it enacted by the Legislature of Sikkim in the Fifty-eight Year of the Republic of India as follows:

Short title and	1.	(1)	This Act may be called the Sikkim Industrial
Commencement.			Promotion and Incentive (Amendment) Act, 2007.

(2) It shall come into force at once.

Amendment of	2.	In the Sikkim Industrial Promotion and Incentive Act
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Section 6A

2000 (hereinafter referred to as the said Act) Section 6 A shall be renumbered as sub-section (1) of that section and after that sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:-

(2) “Where an Industrial unit already enjoying a Central Investment Subsidy” shall not be eligible to claim State Investment Subsidy under the Act.

**Amendment of
Section 8**

3. In the said Act, in sub-section (2) of Section 8, after the words “Thrust Areas”, the words and figure “subject to maximum of Rs.2 lakhs (Rupees two lakhs) shall be inserted.

**Amendment of
Section 12(A)**

4. In the said Act, for the existing Section 12 A the following section shall be substituted, namely:

“12A (1) “The Value Added Tax (VAT) payable by an Industrial Unit shall be deferred for a period of 10(ten) years and for a period of 12(twelve) years for notified thrust industries from the date commencement of actual commercial production. These industrial units will be permitted to collect VAT and roll it back as working capital for the entire period of deferment as the case may be. At the end of the deferment period, the VAT collected will have to be remitted to the Government Account in four half yearly

installments. In case of those units which are already enjoying the sales tax exemption the same will be converted into VAT deferral scheme as above for the remaining periods of their exemption as the case may be.”

(2) The levy of State Excise Duty and Sales Tax on units manufacturing alcoholic/beer products shall be governed by such notification as may be issued by the State Government from time to time.

(3) Central Sales Tax shall not be exempted.

By Order.

R.K.Purkayashta (SSJS)

LR-cum-Secretary,

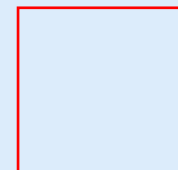
Law Department

File No. 16(82) LD/07

Ph..No. : 202670 (Secy.)

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GOVERNMENT OF SIKKIM

DEPARTMENT OF COMMERCE & INDUSTRIES

SECRETARIAT ANNEXE – I

(3RD FLOOR)

GANGTOK

No. 4/SUB/13/C&I/2008-09/748

Date 19/03/2009

NOTIFICATION

The State Government is hereby pleased to constitute the following State Level Committee and District Level Committees to consider and recommend the subsidy claims of hotels and industrial units under various schemes under North East Industrial & Investment Promotion Policy (NEIIPP), 2007.

STATE LEVEL COMMITTEE

- | | | |
|----|---|------------------|
| 1. | Secretary-in-Charge – Finance | Chairman |
| 2. | Secretary-in-Charge – Commerce & Industries | Member |
| 3. | Representative from NEDFI | Member |
| 4. | Representative from Banks | Member |
| 5. | Director, Commerce & Industries | Member Secretary |

DISTRICT LEVEL COMMITTEE (SOUTH & WEST)

- | | | |
|----|--------------------------------|-------------------|
| 1. | General Manager, DIC | Chairman |
| 2. | Representative of Banks | Member |
| 3. | Representative of NEDFI | Member |
| 4. | Senior Functional Manager, DIC | Member Secretary. |

DISTRICT LEVEL COMMITTEE (NORTH & EAST)

- | | | |
|----|--------------------------------|-------------------|
| 1. | General Manager, DIC | Chairman |
| 2. | Representative of Banks | Member |
| 3. | Representative of NEDFI | Member |
| 4. | Senior Functional Manager, DIC | Member Secretary. |

By Order

(M.G. Kiran) IAS
Commissioner-cum-Secretary
Commerce & Industries.

THE SIKKIM INDUSTRIAL PROMOTION AND INCENTIVE(AMENDMENT) ACT, 2003

A bill to amend the Sikkim Industrial Promotion and Incentive Act, 2000.

Be it enacted by the Legislature of Sikkim in the Fifty-fourth year of the Republic of India as follows:-

- Short title**

1.

(1) This Act may be called the Sikkim Industrial Promotion
- and**

and Incentive (Amendment) Act, 2003.
- commencement**

(2)

It shall come into force at once.

Amendment of 2. In the Sikkim Industrial Promotion and Incentive Act, 2000,

section 2

(hereinafter referred to as the said Act), section 2 shall be

renumbered as

sub-section (1) of that section and in sub-section

(1) as so renumbered, for the word “five” the word “ten” shall be

substituted and after sub-section (1) as so renumbered, the

following sub-sections shall **be inserted, namely:-**

“ (2) The Scheme will also be applicable to existing units in case of **diversification, modernization and expansion.**”

“(3)” **Diversification, modernization and expansion** should entail enhancement in the existing capacity by at least 25% and the package of incentive admissible to the unit shall relate to the expanded portion only. For the purpose of this calculation undepreciated value of the capital investment made on land, building, plant and machinery of the unit will be taken into consideration.”

Amendment of 3. In the said Act, in section 3,-

section 3 i) after clause (d) following clauses shall be inserted, **namely:-**

" (dd) **Diversification**” means separately identifiable investment made by an existing industrial unit in the fixed capital assets to set up a project for manufacturing of new products(s) provided that the additional investment in the fixed assets is not less than 25% of the gross fixed capital and increase of additional employment is at least by 10%.”

(ddd) **“Expansion”** of an industrial units means additional fixed unit. For the purpose of calculation, Gross value of all the capital investment made on land, building and plant machinery of the existing unit will be taken into consideration. Expansion shall also imply an increase of at least 25% in the existing installed capacity as well as increase of additional employment of at least by 10%. Prior to going for expansion, the units should be operating atleast at a minimum of 80% capacity during the three previous years.”

(ii)after clause (e), the following clause shall be inserted, namely:-

“ (ee) **“Modernization”** means separately identifiable investment made by an existing industrial unit in the fixed capital technology having a definite advantage in reduction of cost of production provided that the additional investment in the fixed assets should not be less than 25% of the gross fixed capital.

The incentive available to the unit undergoing expansion/diversification/modernization shall be for the additional investment made and/or the increase in production over the average of three previous years prior to the year when the unit goes for expansion/diversification as applicable. The year for this purpose shall mean a financial year. The units which have taken up expansion/diversification/modernization plan prior to coming into force of this policy should intimate the concerned agency within three months from the date of implementation of the policy”.

Amendment of 4. In the said Act, for the existing section 5, the following section shall be substituted, namely:-

section 5

“Sanctioning Authority 5 For the benefits/incentives under this Act, the following authorities shall have the power of sanctioning namely :-

- (1) General Manager of District Industries Centres - up to Rs.10,000/- (Rupees ten thousand).
- (2) Director of Industries upto Rs. 1,00,000/- (Rupees one lakh)
- (3) Secretary Industries-upto Rs.1,50,000/- (Rupees one lakh and fifty thousand).
- (4) Minister-In charge, Industries - all cases above Rs.1.5 lakhs to Rs.5 lakhs (Rupees five lakhs)
- (5) There shall be a Committee constituted under the Scheme consisting of the Minister Industries with Secretary Industries, Secretary Finance and Director Industries as members who shall sanction subsidies incentive between Rs.5 to Rs. 8 lakhs (Rupees five to eight lakhs).
- (6) All cases above Rs.8 lakhs (Rupees eight lakhs) will be placed in the Cabinet.”

Insertion of 5. In the said Act, after section 6, the following sections shall be new sections. inserted, namely:-

“Subsidy on 6A. An investment subsidy on the total investment shall be provided on State Capital a graded level to the industry. It will be available to both new as well as those carrying out expansion, diversification or modernization activities.

investment

Artisan and Tiny Scale Units	Small Scale Units	Medium/Large
		Scale Units

<p>a) 15 percent of total capital investment in plant and machinery subject to a maximum of Rs.30,000/- (Rupees thirty thousand).</p> <p>b) 30 percent of total capital investment in plant and machinery subject to a maximum of Rs.60,000/- (Rupees sixty thousand) for units set up by local entrepreneurs.</p> <p>c) For units set up in the thrust areas 20 percent of total capital investment in plant and machinery subject to a maximum of Rs.40,000/- (Rupees forty thousand).</p> <p>d) For units set up in the thrust areas by local entrepreneurs 20 percent of total capital investment in plant and machinery subject to a maximum of Rs.80,000/- (Rupees eighty thousand)</p>	<p>a) 10 percent of total capital investment in plant and machinery, subject to a maximum of Rs. 5 lacs. (Rupees five lakhs).</p> <p>b) For units set up by local entrepreneurs 10 percent of total capital investment in plant and machinery, subject to a maximum of Rs. 10 lacs. (Rupees ten lakhs).</p> <p>c) For units set up in the thrust areas 15 percent of total capital investment in plant and machinery, subject to a maximum of Rs.7 lakhs (Rupees Seven lakhs)</p> <p>d) For units set up in the thrust areas by local entrepreneurs 15 percent of total capital investment in plant and machinery, subject to a maximum of Rs.14 lakhs (Rupees fourteen lakhs)</p>	<p>a) 5 percent of total capital investment in plant and machinery, Subject to a maximum of Rs.10 lacs (Rupees ten lakhs).</p> <p>b) For units set up by local entrepreneurs 10 percent of total capital investment in plant and machinery, Subject to a maximum of Rs.20 lacs (Rupees twenty lakhs).</p> <p>c) For units set up in the thrust areas 10 percent of total capital investment in plant and machinery, subject to a maximum of Rs.15 lakhs (Rupees fifteen lakhs)</p> <p>d) For units set up in the thrust areas by local entrepreneurs 20 percent of total capital investment in plant and machinery, subject to a maximum of Rs.30 lakhs (Rupees thirty lakhs)</p>
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Subsidy on 6 B. Captive power

(1) In order to encourage and assist industrial units to be self sufficient in their requirements of power, the State **generating sets.** Government shall subsidise upto 25 percent of the cost for purchase of captive power generating sets, subject to a maximum of Rs. 1 lakh (Rupees one lakh). And in case of units set up by local entrepreneurs subsidy will be 50 percent subject to a maximum of Rs.2 lakhs.

(2) Industries set up in the thrust area shall get a 30 percent subsidy, subject to a maximum of Rs.1.25 lakhs (Rupees one lakhs and twenty five thousand). And in case of units set up by local entrepreneurs in the thrust area subsidy will be 60 percent subject to a maximum of Rs.2.50 lakhs.

Special incentive 6C. A new unit with fixed capital investment exceeding Rs.3

	to the Pioneer	crores set up in a district where there are no medium or large
	Unit.	Scale Industries will be given pioneer status. Such unit will be eligible for additional State Capital Investment Subsidy of 5% of fixed capital investment subject to a ceiling of Rs.10 lakhs. Such units will also be given Power Subsidy for an additional period of 2 years.
Special incentives for women entrepreneurs.	6D.	Special incentives as detailed below shall be granted to Women entrepreneurs, namely: -
	(1)	Additional State Capital Investment Subsidy of 5% subject to a ceiling of Rs.5 lakhs which constitute more than 50% of the workforce in the industry.
	(2)	Additional Interest Subsidy on working capital of 2% subject to a ceiling of Rs 1 lakh for a period of three years from the date of commencement of commercial production.
	(3)	Built up factory sheds shall be allotted to the women entrepreneur on priority basis and the rent will be subsidized @ 75% of the economic rent for a period of five years from the date of commencement of commercial production.
Stipendary support for EDP. Entrepreneurship Development Programme (EDP)	6E.	Stipend at the rate of Rs.500/- (Rupees five hundred) per month per trainee shall be provided for training of 100 youth annually for special Institutions subject to the condition that the training period shall not be less than 3 (three) months duration.
Reimbursement of Stamp Duty and Registration Fee.	6F.	Small Scale, Village and Cottage Industrial Units will be reimbursed in full for the amount paid towards Stamp Duty and Registration Fee for securing loans and other incentives from Financial Institutions including mortgage of fixed assets. The reimbursement will be admissible after disbursement of loan by Financial Institutions/Banks and will be subject to the condition that the assets mortgaged would not be transferred for a period of 5 (five) years.
Local employment promotion	6G.	(1)The State Government will reimburse annually up to 30% (thirty percent) of the realistic wage bill for local employees.This would be for grant. for three years from the date of entertainment.The maximum limit of such subsidy is Rs.1 lakh (Rupees one lakh).
		(2) Fifty percent of the cost incurred on the training of local employees will be reimbursed subject to the following conditions, namely:-
		(a) Such trained person being absorbed in the unit, failing which the unit will refund the subsidy amount paid for the same.
		(b)Training shall be conducted in an Institute approved by the State Government.
Subsidy on cost incurred on quality control measures.	6H.	(1)Cost of Laboratory Equipment for the purpose of quality control and ISI certification subject to a maximum of Rs. 10,000 (Rupees ten thousand) per unit will be reimbursed in cases where is does not form part of the project cost. For local entrepreneurs Rs. 20,000 (Rupees twenty thousand) per unit will be reimbursed.
	(2)	Export oriented units committing to export at least 50% (fifty percent) of the value of the turnover will be eligible for an additional reimbursement of Rs.1, 00,000/- (Rupees one lakh) against such quality control measures.

For local entrepreneurs Rs.2,00,000(Rupees two lakhs) will be reimbursed.

Subsidy on consultancy service.

6 I. An industrial unit shall receive a one-time subsidy on consultancy charge paid to an approved consultant as per the scale note below :

(1)For project upto Rs. 10 lakhs (Rupees ten lakhs) 3% subject to a maximum of Rs. 20,000/-(Rupees twenty thousand). For local entrepreneurs 6% subject to maximum of Rs. 40,000(Rupees fourty thousand).

(2)For project above Rs.10 lakhs (Rupees ten lakhs) 3% subject to a maximum of Rs. 1,00,000/-(Rupees one lakh). For local entrepreneurs 6% subject to maximum of Rs. 2,00,000/-(Rupees two lakhs).

Subsidy on study tours and inplant fare and an allowance of Rs.1000/- (Rupees one thousand)

6J. Entrepreneurs sent outside Sikkim with the approval of the Director of Industries for study tours and inplant training shall be eligible for reimbursement of the return journey expenses of subject **training.** class train per mensem per entrepreneur.

Provided that the period of such a study tour/inplant training should not exceed three months and the entrepreneur shall give an undertaking in writing to the Department of Industries that he/she shall start an industrial unit after obtaining the necessary technical know how of the industry concerned.

The study tour and in plant training for a period not exceeding three months may also be made available for workers who are sent outside the State:

Provided that the industrial unit sending such workers shall obtain an undertaking from them that they shall work in unit at least for a period of three years from the date they complete training. The reimbursement on expenditure on return journey of second class by train and allowance of Rs.500/- (Rupees five hundred) per workers shall be eligible to the industrial unit concerned in such cases.

Allotment of land.

6K. The State Government shall endeavour to provide a developed land with all infrastructural facilities at Growth Centres to all new units except those in the “Services” and “Village Industries Sector” in the following manner, namely :

- 1) The developed land will be allotted on lease basis for a period of 30 (thirty) years.
- 2) The State Government will subsidise the cost of land development at the rates given below:
 - a) Small Scale Industries _____20%.
 - b) Export Oriented Unit and Units owned and managed by local entrepreneurs_30%
 - c) Large and Medium Units (as per definition) - 15%.
- 3) The cost of land development will be recovered from the allottee or Industrial units after framing allotment rules, which shall be notified.

Subsidy on 6L The State Government shall provide transport subsidy of 50 % for

State Transport. transportation of Plant and Machineries from any part of India to the location of unit in Sikkim maximum of Rs.1 lakh (Rupees one lakh). For local entrepreneurs the maximum limit will be Rs.2 lakhs (Rupees two lakhs).

Subsidy for 6M technical know-how. A subsidy of 50% shall be admissible to meet the cost of technical know - how obtained by Small Scale Industrial Units from organizations approved in advance by Government of Sikkim on a case to case basis. The subsidy will be released only on commencement of commercial production. The subsidy will be 60% for Small Scale Industrial Units set up in thrust areas and Export Oriented Unit.

Special Incen - 6N tives for Agro and Food Processing Industries. Special incentives shall be granted to the Agro and Food Processing Industries as detailed below:

1. Additional State Capital Investment Subsidy of 5% subject to a ceiling of Rs.5 lakhs for agro & food processing industries.
2. 50% of the cost payable for getting Food Product Order (FPO) license/AGMARK/Trade Mark for the products for food processing industries subject to a maximum ceiling of Rs.1 lakh.(Rupees One Lakh).”

Amendment of 6. section 8. In the said Act, for the existing section 8, the following section shall be substituted, namely:-

“Power Subsidy 8 1) There shall be 100% reimbursement of power bill for an industrial unit consuming up to Rs.50,000/-(Rupees fifty thousand) per annum. The reimbursement above Rs.50,000/- (Rupees fifty thousand) shall be to the extent of Rs. Rs.50,000/- (Rupees fifty thousand) plus 25 percent of the balance of actual payment subject to a maximum of Rs.2 lakhs (Rupees two lakhs).

- 2) The State Government shall grant a subsidy of 30 percent power tariff to industrial units coming up in Growth Centre or Thrust Areas.
- 3) 50% of the cost incurred on linking of power from the main line to the factory shed subject to a maximum ceiling of Rs. 50,000/-(Rupees fifty thousand).
- 4) Power tariff to the Industries shall be levied at the cost of production as and when available.

Insertion of 7. new section In the said Act, after section 12, the following section shall be inserted, namely:-

“Concession on 12A.1) State and Central Sales Tax. The State Sales Taxes shall be exempted for a period of 10 (ten) years from the date of commencement of actual Commercial Production. However, for the units set up in the thrust area, the exemption period will be 12 (twelve) years.

- 2) The levy of state excise duty and sales tax on units manufacturing alcoholic products will continue as per notification 6/ CGO/90/DI/95-96/784 dated 03.10.2000.
- 3) Exemption of Central Sales Taxes and Central Excise Duties will be governed by various Notifications/Orders issued by Government of India in this regard.”

(**P.S.Golay**)

Minister-in Charge.

Commerce and Industries Department

Government of Sikkim

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Last Updated on: 10thMay, 2007