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**State Incentive**

## Defence Manufacturing in Uttarakhand

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### One Time Incentives

#### 1. Land Cost Rebate

- **Land Subsidy** - 20% concession/reimbursement on SIIDCUL land cost (\*applicable for 3 years from the date of notification of this Policy) under Uttarakhand Aerospace & Defence Industrial Policy, 2020
- **Offset Obligation Incentive** - New / existing manufacturing units located in Uttarakhand undertaking projects subject to the requirements of the offset obligations of the Ministry of Defence, as a special incentive package, a 30 percent concession on the total cost of land allotted in Industrial Parks / Aerospace and Defence Parks as implemented by SIIDCUL. (Discount) / reimbursement will provide assistance. In this regard, SIIDCUL will consider and decide in its board meeting as per rules.

#### 2. Fixed Capital Rebate

- **Capital Subsidy - Under MSME Policy 2015 (As Amended in 2019)**
  - Category A: 40% (Max up to INR 40 Lakh)
  - Category B, B+: 35% (Max up to INR 35 Lakh)
  - Category C: 30% (Max up to INR 30 Lakh)
  - Category D: 15% (Max up to INR 15 Lakh)

*\*Capital Subsidy will be applicable on the fixed investment in factory building, plant & machinery*

- **Capital Subsidy for Aerospace & Defence Industrial Parks**
  - 10% on the fixed assets (maximum of INR 10 crore) \*Minimum Area requirement: 50 acres. (development of Maintenance, Repair and Overhauling (MRO) complex is also covered)

#### 3. Stamp Duty Exemption

- **MSME Policy 2015 (As Amended in 2019)**

- Category A, B, B+, C: 100% exemption
- Category D: 50% exemption
- **Mega Industrial and Investment Policy 2015**
  - 50% exemption on Stamp duty for Large, Mega, Ultra Mega and Super Ultra Mega

#### 4. Other Incentives

- **Anchor Unit Subsidy** - 10% (max up to INR 10 crore) on the fixed assets, on investment of INR 100 crore or above with employment to 100 persons or more (The proposed investment should be made within 3 years)

\*Eligible for the first 5 Aerospace & Defence OEMs under Uttarakhand Aerospace & Defence Industrial Policy, 2020

- **Certification process subsidy** - 50% (Max INR 25 Lakhs per unit) - OEMs under Uttarakhand Aerospace & Defence Industrial Policy, 2020
- **Special initiative** - Manufacturing and assembling of civil / military aircraft, main battle tanks and other aerospace and defence platforms and equipment is an important initiative of the project, as they will help increase the dispersion and manufacturing capabilities of aerospace and defence industrial units in the state. Such projects of private industries with joint responsibilities of design development, manufacturing, testing and certification in the state will be considered as special initiatives and the government, in partnership with SIIDCUL, approves special funding as equity of such joint ventures. Will consider
- **ETP Subsidy**
  1. Heavy Industrial Investment and Employment Promotion Policy 2018 - 30% up to a maximum of INR 20 Lakhs
  2. Mega Industrial and Investment Policy 2015 - 30% up to a maximum of INR 50 Lakhs

### Recurring Incentives

#### 1. Skill Development/ Training Incentive

- 50% (for maximum 20 trainees employed on rolls) Max INR 5000/- per trainee per month per unit for 1 year

## 2. Electricity Duty Rebate

- 100% (for the first 5 years from the date of start of commercial production). Expansion projects will be entitled to exemption for the additional electricity consumed for 5 years under Uttarakhand Aerospace & Defence Industrial Policy, 2020