

(D-3) "Chhattisgarh Startup Package" - Under the Industrial Development Policy 2024-30

Industrial Development Policy 2024-2030 provides economic incentives as Startup Package for industrial investment as per the details below:

(1) Definitions:

To be recognized as a startup, eligibility for industrial investment incentives **under this policy**, the following conditions must be followed:

(1.1) The unit must hold a valid startup certificate issued by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry, Government of India, and fall within the limits specified in clause 1.2.

(1.2) The unit's total turnover must not exceed ₹25 crore in case of manufacturing units and ₹10 crore in case of service activities in any financial year from the date of incorporation/registration of its unit.

(1.3) The unit should engage in innovation/ improvement of existing technology/ simplification of existing processes and works in strengthening the economy.

(1.4) The unit must not be included in the list of ineligible enterprises in Annexure 3 or core enterprises/services in Annexure 5 of the Industrial Policy 2024-2030.

(1.5) Any unit created through the division or reconstruction of an existing business will not be considered a 'startup.'

(1.6) A unit will not be considered a "startup" once it has completed ten years from the date of its incorporation/registration.

(2) Eligibility Conditions:

(2.1) All the applications for startups will be presented before the **State-Level Startup Promotion Committee**. Only those cases approved by the committee, will be eligible for the Startup package benefits.

(2.2) Startup units of the state mandated to register on the Chhattisgarh Startup Portal and obtain the acknowledgement to avail any subsidies/exemptions, as per the provisions of the Industrial Policy 2024-30. The startup units approval will remain valid up to five years from the date of issuance of acknowledgement certificate.

(3) State-Level Startup Promotion Committee -

(3.1) Structure of the Committee:

1	Director of Industry	President
2	Representative of Director, MSME-DFO (As required)	Member
3	Joint Director (Finance), Directorate of Industry	Member
4	Joint Director, Directorate of Industry	Member Secretary
5	Representative of CHiPS (As required)	Member
6	Two Subject Matter Experts (As required)	Member

The quorum of the above committee will be 4 members.

(3.2) Functions and Responsibilities of the State-Level Startup Promotion Committee

- 3.2.1 The committee will hold meeting at least once a month. Applications received under the startup initiative will be examined/ considered by the committee, then only the units approved as startups.
- 3.2.2 The committee will review the progress reports of incubation centers and provide further recommendations and directives.
- 3.2.3 Approval of subsidies/exemptions to startups will be provided by the committee.
- 3.2.4 The committee will have the authority to make other decisions related to the promotion of startups.

(4) Investment Incentives -

(a) Financial Subsidies -

(4.1) **Corpus Fund** - A corpus fund of Rs 50 crore will be separately created by the state government to promote recognized startup units established in the state. Additionally, funds will be collected through CSR activity for the development of startups. The following assistance will be provided from this corpus fund:

(4.1.1) Startup units will receive ₹5 lakh in the form of **seed funding**, at the initial stage based on recommendations from the incubation center.

(4.1.2) An assistance amount of ₹3 lakh will be provided **for operations**, 6 months after the start of production/service activity.

(4.1.3) An assistance amount of ₹3 lakh will be provided for **continuous operations and development** 18 months after the start of production/service activity.

(4.5) **Credit Risk Fund** - A credit risk fund of Rs 50 crore will be separately created by the state government to promote recognized startup units established in the state.

(4.6) Rent Subsidy - Valid startup units established in Chhattisgarh will receive a rent subsidy of 40 percent of the monthly rent paid, up to a maximum of ₹15,000 per month, for 3 years, from the date of issuance of acknowledgement, if the startup unit is established in a rented building/incubation center. This subsidy will be reimbursed in quarterly manner.

(4.7) Stamp Duty Exemption -

(1) 100% exemption from stamp duty on the purchase of land/ leased land, minimum 5-year of lease.

(2) Exemption from stamp duty on term loans for up to three years.

(4.8) Project Report Subsidy - One percent of the approved fixed capital investment, up to a maximum of ₹5 lakh.

(4.9) Quality Certification Subsidy- 80 percent of the expenses incurred for obtaining certification, up to a maximum of ₹10 lakh.

(4.10) Technical Patent Subsidy- 50 percent of the expenses incurred for obtaining a patent, up to a maximum of ₹10 lakh.

(4.11) Technology Purchase Subsidy- 50 percent of the expenses incurred for technology purchase, up to a maximum of ₹10 lakh.

(4.12) In addition to the benefits received under the startup package, startups will also be eligible for other subsidies, exemptions, and concessions provided as per the provisions under the Industrial Development Policy 2024-30, as per the rules.

(4.13) If a startup avails of benefits under this package, it will not be eligible to receive benefits of a similar nature from the state government (regardless of the name). Similarly, if a startup receives benefits of a similar nature from the Government of India (regardless of the name), it will not be eligible for similar benefits from the state government.

(4.14) Entrepreneurs from the Scheduled Tribes/Castes, women entrepreneurs, Ex-Servicemen of the Indian Army who are domicile of Chhattisgarh, persons/families affected by Naxalism, and persons with disabilities will receive 10 percent additional subsidies and a one-year extension on exemptions.

(b) Non-Financial Facilities -

(4.15) Startups established in Chhattisgarh will be granted exemptions from the following labour law regulations on a self-certification basis during the initial years:

1. Factories Act, 1948
2. Shops and Establishments Act
3. Contract Labour (Regulation and Abolition) Act, 1970
4. Minimum Wages Act, 1948
5. Maternity Benefit Act, 1961

(4.16) Startup units will be allowed to operate in three shifts, including employing women workers. However, startups must ensure proper security arrangements for female employees.

(4.17) 'Startup fests' will be organized periodically in the state for the selection and development of startup units, thus providing a platform for new startup entrepreneurs and interested investors.

(4.18) An efforts will be made to coordinate with educational institutions in the state to provide necessary guidance for startup units.

(4.19) Startups registered with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and approved by the State-Level Startup Promotion Committee, shall later avail with online registration of Udyam Akansha via Single Window System. This will enable them to easily access information about permissions and clearances required from other State Government departments.

(5) Incubators -

(5.1) Incubators established during the tenure of this industrial policy in the state will be granted 40 percent of the establishment expenses, up to a maximum of ₹40 lakh.

(5.2) Incubators established at divisional headquarters will receive ₹5 lakh per year for operational expenses for up to 5 years, while incubators established in other districts will be provided a maximum of ₹3 lakh per year.

(6) Responsibilities of Incubators

(6.1) Each incubator established at a divisional headquarters must incubate a minimum of 10 startup units, and incubators established in the other districts must incubate a minimum of 5 startup units.

(6.2) Each incubator established at a divisional headquarters must have seating arrangements for at least 15 startups, and incubators established in other districts must have arrangements for 10 startups.

(6.3) Every incubator must submit a progress report to the State-Level Startup Promotion Committee in every 6 months.

(6.4) Incubators will provide recommendations for subsidies/facilities to be given to startup units.

(6.5) In the absence of an incubation center in a specific district, startup units from that district can be incubated by incubation centers from other districts.

The subsidies and exemptions provided under this package will be regulated according to the procedures and conditions mentioned in various notifications issued under the Industrial Development Policy 2024-30.

(D-4) Under the Industrial Developmental Policy 2024-30, Special Incentive Package for Closed and Sick Enterprises

Under the Industrial Development Policy 2024-30, the "Special Incentive Package for Closed and Sick Enterprises" aims to rehabilitate and operationalize non-functional investments in the state. These are closed, sick and blocked investment Enterprises established in the state but whose assets have become inactive due to acquisition by another Entrepreneur/ Firm/ Company through National Company Law Tribunal (NCLT), SARFAESI Act, and other by financial institutions through various rules. To make effective use of the blocked investment in such Enterprises in the interest of the state, the following package provisions are being made for the rehabilitation of closed and sick Enterprises.

(a) **Definition:** 'Closed/Sick Industrial Unit' refers to industries defined under points 38(a) and (b) in Annexure-1 of this policy.

(b) **Other Definitions:** For the implementation of this policy terms which are not defined in this policy, relevant definitions from the prevailing Industrial Development Policy 2024-30/ defines as per the Reserve Bank of India, will be applicable.

(c) In accordance with the provisions of **clause (12.27) of the Industrial Development Policy**

(1) Package for the Resumption of Closed Industries/Rehabilitation of Sick Industries:

(1.1) The following exemptions will be provided upon the purchase of any declared closed/sick industry:

(i) 100% stamp duty exemption.

(ii) 100% registration fees exemption.

(iii) In the case of industries established in industrial areas/land banks, a land transfer fee which is @ rate of 5 percent of the land premium, will be charged.

(1.2) Based on eligibility under the industrial investment incentives of the Industrial Policy 2024-30, the owner or purchaser (as applicable) of the closed/sick industry will be provided with the following complete/remaining subsidies, exemptions, and concessions, which has not been used/ partially used by the closed industry during the period of operation of its industry.

(1.2.1) Interest Subsidy

(1.2.2) Fixed Capital Investment Subsidy

(1.2.3) Reimbursement of Net State Goods and Services Tax (Net SGST)

(1.2.4) Exemption from Electricity Duty

- (1.2.5) Exemption from Mandi Tax.
- (1.2.6) Project Report Subsidy
- (1.2.7) Quality Certification Subsidy
- (1.2.8) Technical Patent Subsidy
- (1.2.9) Technology Purchase Subsidy
- (1.2.10) Employment Subsidy for the Differently Abled, Retired Agniveers, and Surrendered Naxalites.
- (1.2.11) Transport Subsidy (for export-oriented industries only)
- (1.2.12) Reimbursement of Training Stipend
- (1.2.13) EPF Reimbursement
- (1.2.14) Reimbursement of expenses incurred in training of employees for employee training in MSME thrust sectors and IT Enterprises.

(1.3) Such sick and closed industries that have not previously availed of subsidies will be eligible for all types of exemptions/subsidies provided under the Industrial Development Policy 2024-30 after their rehabilitation/revival.

For example:

(a) If an enterprise established as a general enterprise under the Industrial Development Policy 2014-19 on November 1, 2015, received an interest subsidy at a rate of 40 percent for a period of two years and is declared a sick enterprise during the term of the Industrial Development Policy 2024-30, the remaining interest subsidy for three years will be available at the same rate and which is within the maximum limit specified under the Industrial Policy 2024-30.

(b) If any enterprise was categorized as ineligible for subsidies, exemptions, and concessions under the Industrial Policy 2014-19 but is eligible under the Industrial Development Policy 2024-30, then it will qualify for interest subsidies for the remaining duration of the Industrial Development policy 2024- 30 (after subtracting the period from the start of the Enterprises until it was declared sick from the eligibility period) after resuming to production again.

(c) Other subsidies given after the establishment of the Enterprises (such as fixed capital investment subsidy, project report subsidy, quality certification subsidy, technical patent subsidy, technology purchase subsidy, subsidy for the differently abled, etc.) if not received / partially received, then the purchaser of the sick enterprise will be eligible for complete/remaining amount.

(d) The above-mentioned provisions will also be applicable in case of exemptions (such as exemption from electricity Duty) given after the establishment of the enterprise.

(2) For the payment of outstanding dues of a declared sick industry/enterprise, the facility to pay the principal amount + all penalties/interest/surcharges in 36 equal monthly installments / 12 quarterly installments, will be provided. If payment is not made within the stipulated period, interest will be charged at the base rate determined by the State Bank of India.

However, this provision will only become effective after the date of issuance of a notification once the amendments to the relevant rules/acts of the concerned departments is done.

Nevertheless, in the case of electricity dues, instead of paying interest at the base rate determined by the State Bank of India, surcharges will be payable as per the provisions outlined in the supply code notified by the Electricity Regulatory Commission.

(3) In favor of the purchaser of the sick industry/enterprise, utility services such as electricity connection, water connection, consent to operate, forest clearance granted by the state government, and no-objection certificates issued by local bodies will be transferred. However, the purchaser will need to submit an application in accordance with the procedures outlined in the rules/acts of the respective departments.

(4) If additional capital Investment of at least Rs 5 crore is made in plant and machinery in a closed enterprise, or if the investment amounts to at least 25 percent of the approved capital invested in plant and machinery is done, up to the date of commencing commercial production in an operational existing enterprise, whichever is higher and if there is at least a 25 percent increase in the registered original capacity or average production (whichever is higher) as registered with the Industry Department, along with a 10 percent increase in total employment, and if the expanded commercial production starts within this policy duration, then unit will receive subsidies, exemptions, and concessions , on additional capital investment made as declared under the Industrial Development Policy 2024-30. However, the maximum limit of payable remaining subsidies and subsidies payable over additional capital investment made, shall not exceed the maximum limits as per defined under the Industrial Development Policy 2024-30.

(5) No additional charges/security deposits will be levied for the renewal of water approval for a new enterprise, in case of water availability.

(6) In favour of the purchaser of the closed industry/enterprise, utility services such as electricity connection, water connection, consent to operate, forest clearances provided by the state government, and no-objection certificates issued by local bodies will be transferred.

However, this provision will become effective only from the date of the notification issued by the respective department as per the rules.

Note: 1. For the above package, it is essential that the industry/enterprise applying for the status of a closed industry/enterprise must have a minimum capital investment of Rs 100 lakh in plant and machinery, and the machinery must be installed on the factory premises on the date of application.

2. The package for the resumption of closed Enterprises will be provided only once to any unit.

(7) Non-Financial Facilities

1. Labour disputes of industries declared closed/sick will be resolved promptly by the Labor Department, and every possible assistance will be provided to ensure the smooth resumption and operation of the industry.

2. The Industry Department will resolve all cases through a single window system.