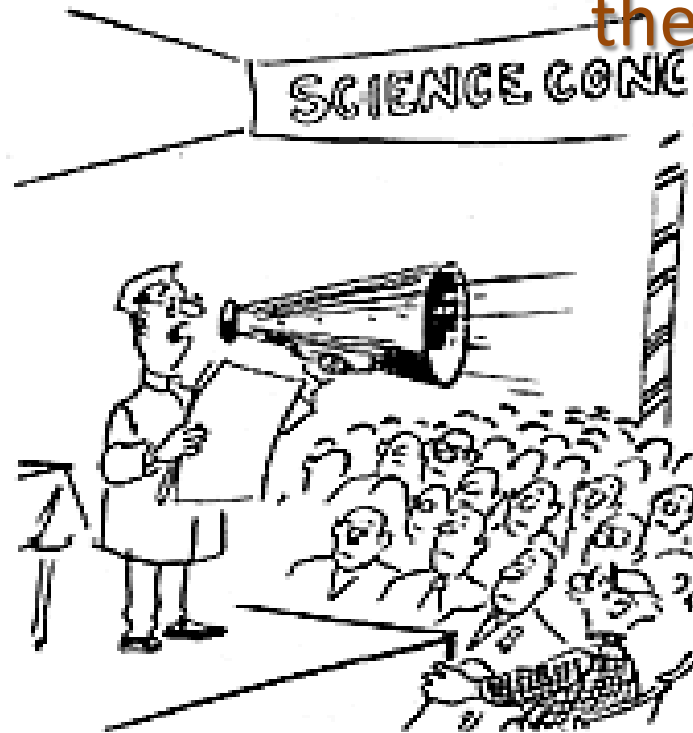




## Government Policies and Schemes for the Benefit of Industries



I am proud of the fact we have made tremendous progress in science and technology.

*R.K. Laxman in  
'The Times of India'*

**PMMAI**  
**TECNOMMERCE**  
**2014**

*The first-of-its-kind  
Techno-commercial Seminar*

**Date: Saturday, 1<sup>st</sup> March, 2014**

**Company Formation**

Registrar of Companies



**R & D / Product Development**

DST / DSIR / CSIR / Innovation Foundation / O/o Principal Sc Adviser to PM



**Manufacturing License under I (D & R)**

MSME → DIC, Gujarat , Large Sector → SIA of DIPP



**FDI / Technology**

RBI / FIPB



**SEZ / EoU / Import / Export**

DC (SEZ) / DGFT (D/o Commerce)



**Projects Financing**

SIDCs / SC Banks / NBFC / Stock Exchanges / ECB / NSIC / SIDBI / Scheme



**Land/ water Elect. / Factory / labour //**

Local authorities



**Registrations for IT/ Sales/ Excise //**

Tax authorities



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## BUSINESS UPDATE

- Gold demand may come down with decline in inflation: Rangarajan
- AI to focus on making Dreamliners its workhorse
- Inflation falls to 4.89 pc, may prompt RBI to cut rates
- SEBI begins repayment process in Sahara case
- Sensex at fresh 28-mth high; up 34 points on capital inflows

## HOW DO I

- Register a Company
- Register as Employer
- Complaint with Central Vigilance Commission (CVC)
- Apply for TAN Card
- File Income Tax



More...

- STARTING A BUSINESS
- GROWING A BUSINESS
- MANAGING A BUSINESS
- BUSINESS FINANCING
- DOING BUSINESS ABROAD
- CLOSING OR CHANGING A BUSINESS
- LEGAL ASPECTS
- CORPORATE GOVERNANCE
- OPPORTUNITIES FOR OVERSEAS INDIANS
- LAND ACQ. RESETTLEMENT & REHABILITATION
- INNOVATION AND BUSINESS
- FAQs
- INFRA-STRUCTURE
- INVESTMENT OPPORTUNITIES & INCENTIVES
- INDIAN ECONOMY
- TRADE
- TAXATION
- INDUSTRY AND SERVICES
- CONSUMER RIGHTS
- ENTREPRENEURSHIP IN AGRICULTURE & ALLIED SECTORS
- ENTRE-PRENEURS
- OUTSOURCING INDUSTRY
- IMPORTERS AND EXPORTERS

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QUICK MENU

TAXATION

- » Taxation of Individuals
- » Taxation of Partnerships
- » Customs Duties
- » Wealth Tax
- » Taxation of Corporates
- » Taxation of Agents
- » Excise Duty
- » PAN
- » Taxation of other forms of business entities
- » Taxation of Representative offices
- » Service Tax
- » TDS,TCS,TAN
- » Value Added Tax (VAT)
- » Direct Tax Code

# TAXATION

India has a well developed tax structure. The power to levy taxes and duties is distributed among the three tiers of Government, in accordance with the provisions of the Indian Constitution. The main taxes/duties that the Union Government is empowered to levy are:- Income Tax (except tax on agricultural income, which the State Governments can levy), Customs duties, Central Excise and Sales Tax and Service Tax. The principal taxes levied by the State Governments are:- Sales Tax (tax on intra-State sale of goods), Stamp Duty (duty on transfer of property), State Excise (duty on manufacture of alcohol), Land Revenue (levy on land used for agricultural/non-agricultural purposes), Duty on Entertainment and Tax on Professions & Callings. The Local Bodies are empowered to levy tax on properties (buildings, etc.), Octroi (tax on entry of goods for use/consumption within areas of the Local Bodies), Tax on Markets and Tax/User Charges for utilities like water supply, drainage, etc.

In the wake of economic reforms, the tax system in India has under gone a radical change, in line with the liberal policy. Some of the changes include:- rationalization of tax structure; progressive reduction in peak rates of customs duty ; reduction in corporate tax rate; customs duties to be aligned with ASEAN levels; introduction of value added tax ; widening of the tax base; tax laws have been simplified to ensure better compliance. Tax policy in India provides tax holidays in the form of concessions for various types of investments. These include incentives to priority sectors and to industries located in special area/ regions. Tax incentives are available also for those engaged in development of infrastructure.

^ Top

Related Links:

- > Ministry of Finance
- > Central Board of Excise and Customs(CBEC)
- > Central Board of Direct Taxes(CBDT)



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HOME » Investment Opportunities and Incentives

**INVESTMENT OPPORTUNITIES & INCENTIVES**

India, lying in the Northern Hemisphere, is the seventh largest country in the world covering an area of 32,87,263 sq km. It lies between 8 degree 4' North to 37 degree 6' North latitudes, and 68 degree 7' East to 97 degree 25' East longitudes. It measures about 3,214 km from north to south between the extreme latitudes and about 2,933 km from east to west between the extreme longitudes. It is bounded by the Great Himalayas on the north; by the Bay of Bengal on the east; by the Arabian Sea on the west; and by the Indian Ocean on the south. The mainland comprises four regions, namely, the Great mountain zone, plains of the Ganga and the Indus, the desert region and the Southern peninsula. The total length of the coastline of the mainland, Lakshadweep Islands and Andaman and Nicobar Islands is 7,516.6 km. Besides, India shares a common border with the neighbouring countries like Afghanistan and Pakistan on the north-west; China, Nepal and Bhutan on the north; Myanmar on the east and Bangladesh on the east of West of Bengal. Sri Lanka is also separated from India by a narrow channel of sea formed by the Palk Strait and the Gulf of Mannar.

India's unique and vast geography, endowed with diverse topography, has made it one of the most attractive investment destinations in the world. It is the world's largest democracy with stable policy environment, law and order as well as responsive administrative set up. It has become a global resource for various manufacturing and services industry. It is a land of abundant natural resources like coal, iron ore, manganese ore, mica, bauxite, petroleum, titanium ore, chromite, natural gas, limestone, dolomite, kaolin, gypsum, apatite, phosphorite, steatite, fluorite, etc. Its large area is covered by lush green forests producing wide variety of products of high quality like timber. It is a home to rich and varied vegetations endowed with different climatic conditions. It is rich in flora and fauna.

The diverse economy of India encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries and a multitude of services. With the largest area of arable land, India is one of the world's biggest food producers. It is the largest producer of milk, sugarcane and tea as well as the second largest producer of rice, fruit and vegetables. India's pool of technical manpower base with an increasing disposable income and its burgeoning market have all combined to enable India emerge as a viable partner to global industry. It is the preferred hotspot for organizations keen to outsource their R & D activities, software development work, customer contact centers or IT enabled business processes. The top sectors attracting highest Foreign Direct Investment (FDI) inflows into the country are:- electrical equipments, services sector (financial and non financial), telecommunications, transportation industry, fuels, chemicals, construction activities, drugs and pharmaceuticals, food processing, cement and various products. Huge investment

**GOVERNMENT OF INDIA**

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Reservation of Items in MSME Sector

: Reservation for exclusive manufacturer in MSME Sector

[Link](#)

Public Procurement Policy MSE-2012

Reservation for MSME Sector in Public Procurement

[Link](#)

Public Procurement Policy MSE-2012

Reservation for MSME Sector in Public Procurement

[Link](#)

Small Industries Development Bank of India (SIDBI)

principal financial institution for the promotion, financing and development of MSME

[Link](#)

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Credit guarantee upto Rs one crore

[Link](#)

SME Exchange	For trading the shares / securities of SMEs who otherwise find it difficult to get listed on the Main Board	<a href="#">Link</a>
National Small Industries Corporation	Technology, Marketing and Financing Support to MSME	<a href="#">Link</a>
National Institute of Entrepreneurship & Small Business Development	Trainings / Schemes in Entrepreneurship & Small Business Development	<a href="#">Link</a>
Capital subsidy for adopting the new Technology		<a href="#">CLCSS</a>
Strengthening MSEs through competitiveness		<a href="#">NMCP-Schemes</a>
ISO 9000 Reimbursement Scheme		<a href="#">MSME-Schemes</a>
Technology Centre Systems Programme (TCSP) - A World Bank Project :		<a href="#">Link</a>
DC MSME Enterprise and Skill Development Programmes		<a href="#">Link</a>
DC MSME Marketing Assistance Programmes		<a href="#">Link</a>

## MSME Schemes

1. Guidelines of the Scheme for International Cooperation ([Link](#) )
2. Guidelines for Market Development Assistance on Production Scheme ([Link](#) )
3. Guidelines of Scheme for Assistance to Training Institutions ([Link](#) )
4. Scheme of Surveys, Studies and Policy Research ([Link](#) )
5. [Scheme of Surveys, Studies and Policy Research - List of Agencies as on 26.08.2010](#)
6. [Surveys/Studies conducted under the Surveys, Studies and Policy Research Scheme](#)
7. [Scheme of Fund for Regeneration of Traditional Industries \(SFURTI\)](#)
8. [Rajiv Gandhi Udyami Mitra Yojana \(RGUMY\)](#)



## MSME Schemes

9. [Micro & Small Enterprises Cluster Development Programme \(MSE-CDP\)](#)
10. [Credit Linked Capital Subsidy Scheme for Technology Upgradation](#)
11. [MSME MDA](#) - The scheme offers funding upto 75% in respect of to and fro air fare for participation by MSME Entrepreneurs in overseas fairs/trade delegations. The scheme also provide for funding for producing publicity material (upto 25% of costs) Sector specific studies (upto Rs. 2 lakhs) and for contesting anti-dumping cases (50% upto Rs. 1 lakh) - ***for individual MSMEs & Associations.***
12. [Participation in the International Exhibitions/ Fairs](#) –
13. [Financial Assistance for using Global Standards \(GS1\) in Barcoding](#)
14. [Purchase and Price Preference Policy](#) - through NSIC. 358 items are reserved for exclusive purchase from MSME by Central Government. Other facilities include tender documents free of cost, exemption from earnest money and security deposit and 15% price preference in Central Government purchases - ***for individual MSMEs***

# More MSME Scheme

- **Mini Tool Room & Training Centre Scheme**

1	<u>Marketing Support/Assistance to MSMEs(Bar Code)</u>
2	<u>Support for Entrepreneurial and Managerial Development of SMEs through Incubators</u>
3	<u>Enabling Manufacturing Sector to be competitive through Quality Management Standard &amp; Quality Tech. Tools (QMS/QTT)</u>
4	<u>Building Awareness on Intellectual Property Rights (IPR) for MSME</u>
5	<u>Lean Manufacturing Competitiveness Scheme for MSMEs (Up-scaled :Revised 2013)</u>
6	<u>Design Clinic Scheme for design expertise to MSMEs Manufacturing sector (DESIGN)</u>
7	<u>Marketing Assistance &amp; Technology Up-gradation Scheme in MSMEs.</u>
8	<u>Technology and Quality Upgradation Support to MSMEs</u>
9	<u>Promotion of ICT in Indian Manufacturing Sector (ICT)</u>

# National Skill Development Policy

- Through DGET, Ministry of Labour and Central Ministries
- NSDA: 150% weightage deduction on Skill Development Projects through authorized Training Providers.
- Through [NSDC STAR scheme](#) :Monetary Award
  - Rs 1000 crore more provided to NSDC in the interim Budget for 2014-15.

Sectors	NSQF Levels 1 & 2	NSQF Levels 3 & 4
Manufacturing Courses	Rs. 10,000	Rs. 15,000
Service & Other Sectors	Rs. 7500	Rs. 10,000

# R & D Incentives

- 200% IT deduction for in-house R & D Units recognized by DSIR
- 150% IT deduction on R & D through IITs and other recognized institutions.
- R & D grants by DST / DSIR / CSIR for technology and product development
- DHI new scheme for Technology Development at IITs and Technology acquisition.
- FM Speech at Interim Budget: “to set up a Research Funding Organisation that will fund research projects selected through a competitive process. Contributions to that organisation will be eligible for tax benefits. This will require legislative changes which can be introduced at the time of the regular Budget.”

# Other policies / Schemes

	Setting up a Micro, Small and Medium Enterprise	<a href="#">Link</a>
1	<a href="#">Project profiles for micro &amp; small enterprises</a>	<a href="#">Link</a>
2	<a href="#">Tools Rooms</a>	<a href="#">Link</a>
3	<a href="#">Licensing Policy</a>	
4	<a href="#">Trade Policy</a>	
5	<a href="#">Foreign Direct Investment Policy / Foreign Investment Regulations</a>	
6	<a href="#">Labour Policies</a>	
7	<a href="#">Ministry of Steel : - Steel products standard policy for Manufacturing (Notification No- 414(E)/415(E) Dated 12/3/2012)</a>	
8	<a href="#">Policy for Tiny Sector, Cottage &amp; Village Industries, Handicrafts, Khadi &amp; Handlooms</a>	
9	<a href="#">Taxation-Excise Duty</a>	
10	<a href="#">Quality Standard Policy</a>	
11	<a href="#">Pollution Control Measures</a>	
12	<a href="#">Environmental Control</a>	

