

The

Kolkata



Gazette

Extraordinary
Published by Authority

GOVERNMENT OF WEST BENGAL

Department of Micro, Small and Medium Enterprises and Textiles
4, Abanindra Nath Tagore Sarani (7th Floor), Kolkata-700016

No.4420-MSMET-18099/14/2022

Kolkata, the 13th December, 2022

NOTIFICATION

WHEREAS, the Government has notified the incentive scheme for Micro Small and Medium Enterprises namely "Banglashree" in 2020; and

WHEREAS, the Government has further notified incentive scheme for Power-loom Sector in 2021; and

WHEREAS, there is a felt need to further incentivize the entire value chain from fibre to fabric across the entire eco-system of the Textile Sector which is one of the highest employment generators;

THEREFORE, to provide fiscal benefit to the entire value chain of the textile sector of the state, the Governor is pleased to sanction the implementation of a new Incentive Scheme for Textile Sector in West Bengal involved in the manufacturing of textiles including technical textile products, their processing and apparel in the following manner with an eye to promoting growth and development of such industries in the State.

1. Short Title:

The Scheme may be called West Bengal Textile Incentive Scheme, 2022 (herein after referred as WBTIS 2022)

2. Object:

The object of the scheme is to extend fiscal incentives to textile sector industries across the entire value chain starting from fibre to stitched garments, to set up and expand such units in the State. The focus is on accelerated and focused development of the Textiles sector across the state. This shall enable to maximize the utilization of resources, generate new employment and widen the area of operation to make the state emerge as the preferred destination for investment in the Textile sector.

3. Commencement and Duration:

Unless specifically mentioned against the respective items of incentives sanctioned under the Scheme, it comes into effect on and from the date of official notification and will remain in force for five years, if not withdrawn /amended earlier by a Notification in the official Gazette to that effect.

4. Definitions:

In the WB TIS 2022, unless the context otherwise requires

- i. "Approved Location" means location mentioned in the approved project.
- ii. "Approved Project" means the industrial project of an industry/ an expansion project in the manufacturing sector which should be approved before implementation of the project by Directorate of Textile under the Department of Micro, Small & Medium Enterprises and Textiles, Govt. of West Bengal or Commercial Banks/ Financial Institution (Central and State)/ Cooperative Banks/ scheduled banks approved by RBI/ RRBs financing the project.
- iii. Central Government means Government of India.
- iv. "New Industry" means an industry in the manufacturing sector of textile which has started commercial production on or after the 1st April, 2022 and obtained Udyam Registration/Industrial Entrepreneur Memorandum (IEM) or Registration as per notification of Government of India from time to time.
- v. "Expansion of existing industries" means expansion of manufacturing facility in textile industry either in same product category or in different product category under the same legal entity, meaning the same PAN/GSTN.
- vi. The fixed capital investment-
For the purpose of calculating capital investment subsidy, the investment in plant and machinery or equipment shall be taken as follows:
 - (1) The calculation of investment in plant and machinery or equipment will be linked to the Income Tax Return (ITR) of the previous years filed under the Income Tax Act, 1961.
 - (2) In case of a new enterprise, where no prior ITR is available, the investment will be based on self-declaration of the promoter of the enterprise and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.
 - (3) The expression-plant and machinery or equipment of the enterprise, shall have the same meaning as assigned to the plant and machinery in the Income Tax Rules, 1962 framed under the Income Tax Act, 1961 and shall include all tangible assets (other than land and building,

furniture and fittings).

(4) The purchase (invoice) value of a plant and machinery or equipment, whether purchased first hand or (excluding) second hand, shall be taken into account excluding Goods and Services Tax (GST), on self-disclosure basis, if the enterprise is a new one without any ITR.

(5) The cost of certain items such as cost of pollution control, research and development, industrial safety devices and such other items shall be excluded.

5. Applicability of WBTIS 2022

5.1 The WBTIS 2022 for Textiles shall generally be applicable to industries in the manufacturing and processing of textiles, apparel and technical textiles products which have started production on or after 1st April 2022. However, textile units in MSME sector will have the option to apply either under this scheme or under the existing "Banglashree" Scheme, 2020, unless notified otherwise.

5.2 The enterprises may be in the LLP, private sector, cooperative sector and joint sector undertaking as also companies/undertakings owned and managed by the State Government,

6. State Capital Investment Subsidy

An eligible Textile Industry in the state will be entitled to State Capital Investment Subsidy for its approved project as follows: -

Type of Manufacturing Activities	Quantum of Subsidy	Maximum admissible amount
Spinning (short staple and long staple)	10%	Rs. 20 Cr.
Weaving and Knitting (warp and flat-bed)	20%	Rs. 10 Cr.
Circular knitting	10%	Rs. 5 Cr.
Dyeing and processing of fibers, yarn, fabric and garment	20%	Rs. 20 Cr.
Technical textile (Agrotech, Buildtech, Indutech, Geotech, and Medi-tech) and Non-woven fabric manufacturing	20%	Rs. 25 Cr.
Technical textile (All categories except Agrotech, Buildtech, Indutech, Geotech, and Medi-tech)	10%	Rs. 10 Cr.
Polymerization, texturizing and twisting	20%	Rs. 50 Cr.

7. Waiver of Electricity Duty

An eligible Textile Industry under WBIS 2022 for its approved project will be entitled to 100% waiver of electricity duty for 5 years from the date of commencement of production subject to a maximum of Rs. 100 lakh per year.

8. Power Subsidy

An eligible Textile Industry under WBIS 2022 for its approved project will be entitled to power subsidy on electricity consumption for 5 years from the date of commencement of production from any licensee power supplier on reimbursement basis for the different manufacturing activity as follows:

Type of Manufacturing Activities	Quantum of Subsidy	Upper limit
Spinning (short staple and long staple)	Rs.2/unit	Rs. 1 Crore per annum for 5 years
Weaving**and Knitting (warp and flat-bed)	Rs.2/unit	
Circular knitting	Rs.1.5/unit	
Dyeing and processing of fibers, yarn, fabric and garment	Rs.2/unit	
Technical textile (Agrotech, Buildtech, Indutech, Geotech, and Medi-tech) and Non-woven fabric manufacturing	Rs.1.5/unit	
Technical textile (All categories except Agrotech, Buildtech, Indutech, Geotech, and Medi-tech)	Rs.1.5/unit	
Polymerization, texturizing and twisting	Rs.2/unit	
Garment manufacturing units	Rs.1/unit	Rs. 50 Lakh per annum for 5 years

The power subsidy will be paid annually on production of electricity bills by the relevant DISCOM. Further, such power subsidy shall not be available for units already enjoying lower power tariffs under DVC area or areas where the state DISCOM or any other licensee DISCOM has offered reduced rates for industry compared to rest of the state.

9. Incentive for Energy Efficiency:

9.1 An eligible Textile Industry will be entitled to a reimbursement of 50% of the cost of energy audit undertaken by a certified agency for its approved project. The reimbursement will be made after implementation of the recommendations with an upper limit of Rs 2 lakh.

9.2 An eligible Textile Industry will be entitled to a reimbursement of 25% of the cost of installations for energy conservation as per energy audit subject to a maximum Rs.10 Lakh for its approved project.

10. Reimbursement of Stamp Duty and Registration Fee:

10.1 An eligible Textile Industry will be entitled to a reimbursement of 100 % of the stamp duty and registration fee paid by it for the purpose of registration of documents as specified under clause 10.2 within the State.

10.2 The subsidy will be admissible for the purpose of:

- i. Purchase of land and/or buildings for setting up of the approved project And
- ii. Land/building/ shed taken on Lease (minimum ten years) anywhere in the state for setting up of the approved project.

10.3 The amount admissible will be calculated proportionately based on the percentage of land/ buildings used for setting up of the enterprise for implementation of the approved project.

11. Waiver of Fees for Land Conversion and Mutation:

An eligible Textile Industry under WBTIS 2022 for its approved project will be entitled to 100% waiver of fees for conversion and mutation of the land as approved in the project. ✓

12. Subsidy for Water conservation/ Environment Compliance

An eligible Textile Industry will be entitled to a reimbursement of 25% of expenditure incurred by it for its approved project towards cost of captive Effluent Water Treatment Plant for waste water recycling and/ or other pollution control devices subject to a maximum of Rs. 1.50 Crores. However, for a cluster of units with a minimum of 5 units, the state Govt. in the MSMET department will set up a CETP to be run by SPV of the clustered units as well as running cost is to be borne by them, if the total investment in such units is at least Rs200crore.

13. Incentive for approved expansion project of an existing enterprise: -

An eligible Textile Industry shall be entitled for:

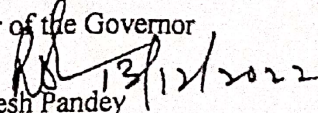
- a. Capital subsidy
- b. Reimbursement of stamp duty and registration fee
- c. Power subsidy and waiver of electricity duty if the unit takes a separate metering arrangement for the expansion portion of the unit.
- d. Incentive for Water conservation and environment compliance provided such measures are taken for the new expanded unit

14. Applicability of Power-loom Incentive Policy, 2021: -

Financial facility for working capital management in clause no 21 of Incentive Scheme for MSMEs in Power-loom Sector 2021 will also be applicable in the West Bengal Textile Incentive Scheme 2022 for an eligible Textile Industry in Power-loom Sector only for weaving of fabric.

The West Bengal Textile Incentive Scheme, 2022 (WBTIS 2022) is hereby issued with the approval of the Finance Department vide their U.O. No Group C/2022-2023/0018 dated 26.08.2022 and under No.4420-MSMET-18099/14/2022 dated.13.12.2022 of the Department of Micro, Small and Medium Enterprises and Textiles, and on approval of the Standing Committee of the Cabinet notification of West Bengal Textile Incentive Scheme, 2022(WBTIS 2022) in its 32nd meeting held on 19.09.2022.

By Order of the Governor


Rajesh Pandey

Principal Secretary to the Government of West Bengal

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