

West Bengal ICT Incentive Scheme 2012

This scheme may be called The West Bengal ICT Incentive Scheme, 2012 (hereinafter referred to as the ICT Incentive Scheme, 2012) for IT/IT Enabled Services Projects of large, medium, small, and micro units (hereinafter referred to as IT Units) to be set up in the State.

2. Commencement and Duration

Unless specifically mentioned against the respective items of incentives sanctioned under the ICT Incentive Scheme 2012, it shall come into effect on and from the 1st day of August, 2012 in the whole of West Bengal and shall remain valid for a period of five years ending on the 31st July, 2017.

3. Definitions

In the ICT Incentive Scheme, 2012, unless the context otherwise requires:

- i. IT Industry includes IT software and hardware including Data Center; IT software Industry means IT software, IT services and IT enabled services, where no factory operation is involved; IT hardware includes electronic industries including Electronic IT Equipment Manufacturing, Telecom Devices, Telecom Infrastructure Equipment, Electronic Component Manufacturing, Solar Equipment including Wafer Cells and Modules, LED Systems, Electronic Testing and Scientific Equipments, Semiconductors and other activities in Electronic System Design and Manufacturing (ESDM).
- ii. "ITeS" means Information Technology Enabled services
- iii. "State Government" means the Government of West Bengal and "Central Government" means the Government of India;
- iv. "W.B.E.I.D.C" means the West Bengal Electronics Industry Development Corporation Limited;
- v. "State Financial Institutions" means the West Bengal Industrial Development Corporation (henceforth W.B.I.D.C) and the West Bengal Financial Corporation (henceforth W.B.F.C);
- vi. "Authorised Agent" means W.B.E.I.D.C., as agent specially authorized by the State Government for operation of IT Incentive Scheme, 2012.
- vii. "Unit" means any IT project in large, medium, small or in micro sector.
- viii. Hardware industry means and includes the units in hardware sector as defined in sub-clause i of clause 3, with investment in fixed capital of a minimum amount of Rs. 5.00 crore and above.

- ix. A large, medium, small or micro unit means a unit as defined as such by the Government of India from time to time.
- x. "New Unit" means an IT unit in the large, medium, small or in micro sector which is established and commissioned by the entrepreneur in West Bengal for the first time on or after the 1st August, 2012 and is registered with the WBEIDC Ltd.
- xi. "Existing IT Unit" means an unit in the large, medium, small or in micro sector, which exists in West Bengal and was functioning before it started commercial production on or after the 1st September, 2004;
- xii. "Approved Project" means the IT project of a unit and for which registration certificate and eligibility certificate have been issued under the IT Incentive Schemes 2012;
- xiii. "Approved Location" means the location of the approved project registered with the concerned authority of the Central Government/the State Government;
- xiv. "Approved Industrial Complex" means any industrial complex set up in the public or private sector in the State approved by the State or Central Government;
- xv. "Eligible IT Unit" means an IT Unit in the large, medium, small or in micro sector having registration certificate issued by the WBEIDC Ltd. and eligibility certificate by the WBEIDC Ltd.
- xvi. "Expansion of Existing Unit" means expansion for the same item(s) of production/expansion of services within existing approved capacity or for expansion for enlarged approved capacity or for manufacture of a new item with an approved capacity; The expansion of the existing unit will be considered as an eligible new IT unit.
- xvii. In case of expansion of an existing IT unit, the fixed capital investment made or to be made on approved project shall increase the total value of the fixed capital investment of the unit by not less than 25% of the net value of fixed asset of land, building and plant and machinery including computer hardware and computer software as on 1st August, 2012 or Rs 50 lakh, whichever is less.
- xviii. "Expanded Portion" means the portion expanded with additional capacity on or after the 1st August, 2012 with approval of the State Government. In the event of an amalgamation, the amalgamated company will be eligible for the incentive for the amalgamating company provided that amalgamating company shall forego its incentive claim for their past operation.
- xix. The "fixed capital investment" shall be calculated as follows:
 - a) Land: actual price or premium paid for the land free hold or lease hold / and or built up space free hold or lease hold as deemed necessary for the approved project at the approved location by the authorized agent.

- b) Building: the actual expenditure incurred for construction of the office building, as necessary for the approved project at the location but not residential quarters. The interior decoration, furniture & fixture, electrical installations, air conditioners shall not come under the provision.
- c) Plant & Machinery: fixed capital investment in plant & machinery shall be calculated as below:
The cost of plant, and machinery as erected at the approved location, including the cost of productive equipment such as computer hardware, computer software etc and items pertaining to pollution abatement measures but excluding the cost of any second hand plant and machinery, computer hardware, computer software etc as also plant and machinery purchased and installed under hire purchase agreement as necessary for the approved project at the location and residential quarters. In the case of plant and machinery taken on lease, the leasing fees/charge shall be taken into account, provided that on the expiry of the leasing contract, the said plant and machinery, computer hardware, computer software become the property of the IT unit.
- d) Advances: Advances paid to suppliers of plant and machinery for the approved project of the eligible IT unit on or after 1st August, 2012 may be taken into account in calculating the total fixed capital investment. However, in special cases as mentioned in clause 4 below advances paid shall also be applicable.

4. Applicability of the ICT Incentive Scheme, 2012

The ICT Incentive Scheme, 2012 shall generally be applicable to all large, medium, small and micro scale project units to be set up in the state and also for expansion projects of existing units on or after 1st August, 2012. The units may be in the private sector, co-operative sector, and joint sector as also companies/undertakings owned or managed by the State Government.

5. Eligibility Criteria for ICT Incentives under the 2012 Scheme

5.1 Any IT project to which this scheme applies shall be eligible for securing an Eligibility

Certificate provided that:

- a) The project is covered by a detailed feasibility report / project report prepared for the purpose;

- b) The project has been approved and sanctioned by the Central Financial Institutions or the Commercial Banks or the State Financial Institutions, recognized private Financial Institutions as the case may be. In the case of projects with arrangement of finance from own resources, issue of Eligibility Certificate shall be considered by the WBEIDC provided it is satisfied about the arrangement of such finance.
- c) IT Division of a Company claiming incentive which has declared to have been set up after the 1st August, 2012, irrespective of the date of incorporation of the parent company, the IT division of the company may be considered for incentive from a date the division has been registered with STP, Kolkata and /or any other EOU scheme offered by Government of India.

6. Classification of development areas and backward areas

6.1 For the purpose of determination of types and quantum of incentive available under the Scheme for the approved projects, according to their location, the State shall be classified in the following groups:

- Group A Kolkata Municipal Corporation, North 24 Parganas, South 24 Parganas, Howrah
- Group B District Hooghly, and sub-divisions of Siliguri, Kharagpur, Durgapur, Asansol, Haldia, Kalyani
- Group C Districts of Burdwan (excluding sub-divisions of Durgapur, Asansol), Purba Medinipur(excluding sub-division of Haldia), Malda, Jalpaiguri, Nadia (except sub-division of Kalyani) and Murshidabad.
- Group D Districts of Birbhum, Bankura, Paschim Medinapur (except sub-division of Kharagpur), North & South Dinajpur, Purulia, Coochbehar, Darjeeling (excluding sub-division of Siliguri) and any other places not covered under Group A,B & C above.

7. State Capital Investment Subsidy

- 7.1 An eligible IT Software unit located in a Group 'A & B' area and set up in the State on or after 1st August, 2012 will be entitled to State Capital Investment Subsidy @ 10% of the Fixed Capital Investment subject to a limit of Rs. 250.00 lakh payable in 5 equal yearly installments.
- 7.2 An eligible IT Software unit located in Group C area and set up in the State on or after the 1st September 2004 will be entitled to State Capital Investment Subsidy @ 12% of the Fixed Capital Investment subject to a limit of Rs. 350.00 lakh payable in 5 equal yearly installments.
- 7.3 An eligible IT Software unit located in Group D area and set up in the State on or after the 1st August, 2012 will be entitled to State Capital Investment Subsidy @ 15% of the Fixed Capital Investment with no limit payable in 5 equal yearly installments.

- 7.4 An eligible IT Software unit in the field of Animation and Gaming located in a Group 'A & B' area and set up in the State on or after 1st August, 2012 will be entitled to State Capital Investment Subsidy @ 12% of the Fixed Capital Investment subject to a limit of Rs. 350.00 lakh payable in 5 equal yearly installments. Similar units in Group of 'C & D' area will be entitled to State Capital Investment Subsidy@15% of the Fixed Capital Investment subject to a limit of Rs.450 lakh payable in five equal yearly installments.
- 7.5 An eligible IT Hardware unit located in Group A (except in areas falling under the jurisdiction of Kolkata Municipal Corporation), B & C area and set up in the state on or after 1st August, 2012 will be entitled to State Capital Investment Subsidy@12% of the Fixed Capital Investment subject to a limit of Rs.450 lakh payable in five equal yearly installments.
- 7.6 An eligible IT Hardware unit located in a Group D area and set up in the state on or after 1st August, 2012 will be entitled to State Capital Investment Subsidy@15% of the Fixed Capital Investment subject to a limit of Rs.450 lakh payable in five equal yearly installments.

8. Interest Subsidy/ Training Subsidy

- 8.1 An eligible new IT unit for its approved project will be entitled to Interest Subsidy/ Training Subsidy on the annual interest liability on the Term Loan borrowed from a Commercial Bank/ Financial Institution for implementation of an approved project and providing training to fresh employees for such approved project respectively, at the rates given below:
- i. Group A (except hardware units located in areas falling under the jurisdiction of Kolkata Municipal Corporation) & B:- 25% of the annual liability on the Term Loan borrowed for an approved project and Rs. 20,000/- or one month salary whichever is lower to a maximum 750 candidates subject to a ceiling of Rs. 150.00 lakh per year for five years;
 - ii. Group C & D: - 25% of the annual liability on the Term Loan borrowed for an approved project and Rs. 20,000/- or one month salary whichever is lower to a maximum 1000 candidates subject to a ceiling of Rs. 200.00 lakh per year for seven years.
- 8.2 The West Bengal Scheme of Assistance to IT and ITeS for Human Resource Development 2008 which was to expire on 31st March, 2013 shall be continued and adopted under the name and style "West Bengal Scheme of Assistance to IT

and ITeS for Human Resource Development 2012" and shall remain operative till 31st July, 2017.

8.3 West Bengal Scheme of Assistance to IT and ITeS for Human Resource Development 2012 shall be incorporated in the ICT Incentive Scheme 2012 (clause 8, Interest Subsidy/Training Subsidy) under the following applicability. The details of the scheme is under Annexure - A.

Option 1

An eligible company may claim only "Interest Subsidy" under ICT Incentive Scheme 2012 on the Annual interest liability on the Term Loan borrowed from a Commercial Bank /Financial Institution for implementation of the said approved project. The amount is fixed at Rs. 150.00 lakh per year for five years for Group A and B category locations and Rs.200.00 lakh per year for seven years for Group C & D category location.

Option 2:

An eligible company may claim only "Training Subsidy" as enumerated in West Bengal Scheme of Assistance to IT & ITeS for Human Resource Development - 2012. The scheme will come into effect from 1st August, 2012 for five years only upto 31st July, 2017. However the earliest period of start of training for consideration of Training Subsidy will be on or after 01.01.2007. The amount is fixed at Rs. 150.00 lakh per year for five years for A&B location and Rs. 200.00 lakh for C&D locations.

Option 3:

An eligible company may claim both "Interest Subsidy" and "Training Subsidy" and such companies will be governed by both the schemes as in OPTION 1 and OPTION 2, but the combined limit of both the schemes shall not exceed Rs. 150.00 lakh per year for A&B locations and Rs 200.00 lakh for C&D locations. Both the schemes will run concurrently for five years for all the category of locations i.e. A, B, C & D.

Provided that a unit can opt for either Option 1 or 2 or 3 as above but not any two or three simultaneously and that the option has to be clearly exercised before claiming any subsidy from either of the Schemes.

9. Interest Subsidy

The Interest Subsidy will be payable annually subject to submission of a statement/certificate by the lending Banks/Financial Institution certifying that the IT unit has paid the due interest to the institutions on the due dates.

10. Waiver of Electricity Duty

An eligible IT unit or ITeS unit for its approved project will be entitled to waiver of electricity duty on the electricity consumed for its production/operation activity for a period of 5 years in A & B category locations and 7 years in C&D category locations from the date of commercial production/operation.

11. Employment Generation Subsidy

- 11.1 An eligible IT unit in the large and medium scale sectors, employees of which are recruited through employment exchange or otherwise, will be entitled to reimbursement to the extent of 50% of the expenditure incurred by it for paying its contribution towards Employees State Insurance (ESI) and Employees Provident Fund (EPF) subject to a maximum of Rs. 1.00 crore per year for number of years depending on the location of the unit as follows:
- i. Group A(except hardware units located in areas falling under the jurisdiction of Kolkata Municipal Corporation) & B area: 5 years
 - ii. Group 'C' area : 7 years
 - iii. Group 'D' area : 10 years
- 11.2 An eligible IT unit in the small and micro will be entitled to reimbursement to the extent of 75% of the expenditure incurred by it for paying its contribution towards Employees State Insurance (ESI) and Employees Provident Fund (EPF) subject to a maximum of Rs. 1.50 crore per year for number of years depending on the location of the unit as follows:
- i. Group A(except hardware units located in areas falling under the jurisdiction of Kolkata Municipal Corporation) & B area: 5 years
 - ii. Group 'C' area : 7 years
 - iii. Group 'D' area : 10 years
- 11.3 The reimbursement of the expenditure prescribed at the sub clause 11.1 and 11.2 above will be payable annually based on minimum statutory limit subject to the condition that the IT unit has paid its contribution towards ESI & EPF on due dates.

12. Refund of Stamp Duty & Registration Fees

- 12.1 An eligible IT unit irrespective of its location will be entitled to refund of 100% of stamp duty and registration fee required for the purpose of registration of documents within the State relating to purchase/acquisition of land and building for setting up of the approved project.
- 12.2 For IT enabled Services, requirement of land will be assessed at the rate of 0.3 acre for every 100 jobs created. If a unit acquires land in excess of this limit no concession in respect of stamp duty and registration fees for excess land shall be allowed.

13. Subsidy for certification of quality improvement and patent in the MSME Sector

- 13.1 An eligible IT unit in the micro, small and medium sector shall be reimbursed 50% of the expenditure up to a maximum of Rs. 5.00 lakh for obtaining ISI Certification, certification from CMM level 2 upwards, ISO9000, ISO 27001 for security, COPC, eSCM and from any other quality assurance body approved by IT Department.
- 13.2 Subsidy for Patents: An eligible IT unit in the micro, small and medium sector shall be reimbursed 50% of the cost of filing patents subject to a maximum of Rs. 5.00 lakh per year.

14. Incentives for approved expansion project of an existing unit

- 14.1 An existing IT unit for its approved expansion project will be entitled to all the incentives mentioned above under this Scheme subject to fulfillment of the conditions prescribed for the respective item for a new unit.
- 14.2 IT industries on their relocation to approved industrial complex may be considered by the State Government for Capital Investment Subsidy. The quantum of subsidy will be 10% of fresh investment in plant and machinery, computer hardware, computer software subject to maximum of Rs. 250.00 lakh in case of A and B category areas and 12% of fresh investment in plant and machinery, computer hardware, computer software subject to a maximum of Rs. 350 lakh in case of C category areas and 15% of fresh investment in plant and machinery, computer hardware, computer software with no limit in the case of D category locations depending on merit of each case to be paid in 5 equal annual installments.

15. Mega Projects:

Notwithstanding anything contained anywhere in the Scheme, the State Government may consider granting special package of incentives under this Scheme to a Mega Project on a case by case basis, based on its pioneering nature of project, location aspect, introduction of state of the art technology, scope of further related investment etc.

16. CST Refund Scheme:

An eligible hardware unit set up in Group A (except in areas falling under jurisdiction of Kolkata Municipal Corporation), B, C or D locations will be entitled to refund of 100% of the Central Sales Tax (CST) paid by the unit until the abolition of CST or 5 years whichever is earlier.

17. Entrepreneurship Assistance

Entrepreneurship Assistance for Start-up Small, Medium and Micro IT software units in the state of West Bengal shall be as under:

- i) Reimbursement of 25% of the lease rental for built up space ranging from 500 sq. ft. to 5000 sq. ft. upto a limit of Rs 5.00 lakh per year for a period of three years.
- ii) Reimbursement of 25% of the power bill for a period of three years or Rs. 30 lakh whichever is earlier, from the date of commencement of operation.
- iii) Reimbursement of Rs. 2.5 lakh towards recruitment assistance for the recruitment made upto 50 IT professionals within a period of one year.
- iv) Reimbursement of 50% Exhibition rental cost for participating in the notified national or international exhibition limited to 9 sq. mtrs of space.

Provided that assistance under the clause 17 shall be extended only to a start up Software Company in whose name a Trade License has been issued for the first time by a Municipal/local authority on or after 1st August, 2012.

18. Assistance for economically and/or physically challenged students in Animation and Gaming sector

IT companies in Animation and Gaming sector may avail with effect from the date of commencement of this scheme 75% reimbursement up to a maximum limit of Rs. 1.50 lakh per candidate for a maximum of ten candidates per year, towards the cost of course fee and a computer, if they sponsor economically and/or physically

challenged candidates to an enlisted Certified or Diploma Training Course and absorb them after the course is completed for a minimum of one year.

Explanation: Enlisted course means a course conducted by a training institute already enlisted with the Department of Information Technology.

19. Power to amend and/or relax/or repeal

Notwithstanding anything contained in any of the provisions of the ICT Incentive Scheme 2012, the State Government may act anytime to

- i. Make any amendment to this Scheme or repeal it, but the commitments already made for an approved project shall not be affected by any such amendments or repeal;
- ii. Make any relaxation in applying the provision of this Scheme but such relaxation shall be made on the merit of the approved project in each case, as the State Government may consider necessary and appropriate;
- iii. May issue instructions and guidelines to facilitate implementation, to remove anomalies and to clarify interpretations of the provisions of this Scheme.

20. Continuity of benefit extended or to be extended in the erstwhile IT Incentive Scheme

20.1 Notwithstanding anything contained in any of the provisions of the ICT Incentive Scheme 2012, any benefit extended or to be extended under IT Incentive Scheme 2009 shall continue to be valid upto the period as stipulated in the IT Incentive Scheme 2009.

20.2 Any IT unit coming into existence after 1st September 2004 and before 1st August, 2012 shall continue to get all benefit under West Bengal IT Incentive Scheme 2009 upto the period as stipulated in IT Incentive Scheme 2009, provided it applies for Registration before 31st March, 2013, under clause 1 of the Operational Procedure of West Bengal IT Incentive Scheme 2009.

Operational Procedures of West Bengal ICT Incentive Scheme 2012

An IT Unit claiming to be eligible for incentives available under West Bengal ICT Incentive Scheme, 2012 shall submit an application to the Managing Director, West Bengal Electronics Industry Development Corporation Ltd., Webel Bhavan, Block EP & GP, Sector -V, Bidhannagar, Salt Lake, Kolkata - 700091 for registration of the unit in the Form No-1 annexed hereto. Any application submitted for registration of any project under the said Scheme shall be treated to be validly submitted within the period of operation of the scheme.

- 1.1 On receipt of application for registration of any project, the Managing Director, WBEIDC Ltd. shall make as expeditiously as possible, scrutiny of / enquiry into the particulars furnished by the applicant unit and on being satisfied that the application in terms of the provision of the said scheme is in order, shall register the applicant unit with a number and issue a certificate for such registration to the applicant unit and also for issue the eligibility certificate with the concurrence of the Department of Information Technology, Govt. of West Bengal. If, however, any application is found not to be eligible for Registration under the ICT Incentive Scheme 2012, the MD, WBEIDC will issue a letter of rejection to the applicant unit.
- 1.2 The MD, WBEIDCL shall maintain a separate register for each district mentioning the group to which district belongs and also enter there all relevant details in respect of the project necessary to carry out the purpose of the said scheme.
2. After the Registration Certificate being issued WBEIDC Ltd. will scrutinize the particulars necessary for issue of the eligibility certificate by them and also make such further enquiry as may be deemed necessary in respect thereto.

If on such scrutiny/enquiry the corporation is satisfied that such unit is eligible for one or more than one incentive available under the terms of the scheme, an Eligibility Certificate shall be forthwith issued by the said corporation to such applicant unit.

3. The MD, WBEIDC Ltd. may cause an inspection if he considers so necessary anywhere in any case under the ICT Incentive Scheme 2012.
4. An IT Unit, after receipt of the 'Eligibility Certificate' from WBEIDC Ltd. may apply for the incentives to which it may be entitled, under West Bengal ICT Incentive Scheme, 2012 in the manner as prescribed below:

4.1 State Capital Investment Subsidy

An eligible IT unit shall submit an application to the Managing Director, WBEIDC Ltd. in the Form No - II for the purpose. The Corporation, if on scrutiny of the documents is satisfied, will work out the admissibility of the Capital Investment Subsidy and will as early as possible inform the applicant of the quantum of admissibility of such subsidy and the mode of disbursement thereof, by the Corporation.

4.2 Interest Subsidy

An eligible IT unit may apply to the Managing Director, WBEIDC Ltd. for Interest Subsidy on the interest liability on account of the loan secured by the unit from Bank(s) / Financial Institution(s) in the Form No. III. The Corporation, if satisfied about the payment of interest to the Bank(s) / Financial Institution(s) according to the norms of the scheme, will sanction interest subsidy in favour of the applicant unit to be credited to its account maintained in the concerned Bank(s) / Financial Institution(s) under an intimation to the unit.

a. Waiver of Electricity Duty

An eligible IT unit may apply to the Directorate of Electricity Duty for waiver for electricity duty in Form No. - IV with a copy to the Managing Director, WBEIDCL. The Managing Director, WBEIDCL after receipt of copy of application from the IT unit will cause an enquiry and ascertain the actual date of commencement of commercial production to the IT unit and communicate the date of commencement of commercial production of the project, for which the benefit is claimed, to the Directorate of Electricity, following the required norms, with a copy to the applicant unit.

b. Employment Generation Subsidy

An eligible IT unit may apply to the WBEIDC Ltd. in the Form No - V, for reimbursement of admissible subsidy on account of expenditure incurred for contribution towards Employees States Insurance and / or Employees Provident Fund with a certificate issued by the respective authorities regarding contribution made by them in the manner as per Annexure-A to Form No - V. The Corporation on scrutiny of papers will sanction and disburse the subsidy as admissible to the unit.

c. Refund of Stamp Duty and Registration Fee

An eligible IT unit may apply to the MD, WBEIDC for refund of Stamp Duty and Registration Fee as may be admissible according to provision of the scheme in the Form No - VI.

5. Capital Investment Subsidy to IT Units

IT Industries on their relocation to approved industrial complex, if such relocation is accompanied with modernization, may be considered by the State Government to Capital Investment Subsidy.

- 5.1 The MD, WBEIDCL will verify the application with the books of accounts of his office and if on verification the unit is found to be eligible for Capital Investment Subsidy, in terms of the provision of the scheme, he will record his recommendations in the Format at Annexure - A to Form No - VII and arrange for sanction and disbursement of the admissible Capital Investment Subsidy to the applicant unit.

6. Assistance for economically and/or physically challenged students in Animation and Gaming sector

- 6.1 Any training institute conducting courses in Animation and Gaming sector and interested to be enlisted under this scheme, shall apply before the Secretary, Department of Information Technology, Government of West Bengal.
- 7.4 IT companies in Animation and Gaming sector seeking assistance for providing employment to economically and/or physically challenged students shall, before sponsoring any deserving student, apply to the Secretary, Department of Information Technology, with the names and other details as may be required of the deserving students they wish to sponsor. The IT Department on satisfaction of the economic status and the eligibility of the students shall give permission to the Company to get the students sponsored by it.
- 6.3 On completion of the courses, the Company shall deposit necessary documents in support of the successful completion of the respective courses by the students and intimate the date from which they have been absorbed in the Company. After completion of one year of continuous working the Company shall apply for the subsidy.
- 7.5 The IT Department may, during the tenure of the training as well as during the service period, may conduct necessary enquiry for its satisfaction.

ANNEXURE - A

West Bengal Scheme of Assistance in IT & ITeS for Human Resource Development – 2012

Whereas IT & ITeS industry in West Bengal has potential of remarkable growth and whereas there is increasing requirement for trained personnel in this industries in the state;

And whereas it is felt necessary and expedient to provide assistance to IT & ITeS units in this State for developing trade man power particularly in the micro, medium and small scale sector in view of the rapid growth in the sector and need for industry-ready quality man power in short time.

Short Title

The scheme will be known as West Bengal Scheme of Assistance to IT & ITeS for Human Resource Development-2012 henceforth referred to as "the Scheme".

Commencement and Duration

The scheme shall come into effect on 1st August, 2012 and remain valid for a period of Five (5) years ending on 31st July, 2017.

Definition:

- i. IT industry means as defined in para 3(i) of the West Bengal ICT Incentive Scheme, 2012
- ii. "State Government" means the Government of West Bengal and "Central Government" means the Government of India.
- iii. "Unit" means IT units in medium, small and micro sector in West Bengal having registration with Directorate of Industries/WBEIDCL.
- iv. "Medium, small and micro units" means units as defined under the Micro, Small & Medium Enterprises Development Act 2006 (No.27 of 2006).
- v. "Authorised agent" means W.B.E.I.D.C.L which will be implementing the scheme.
- vi. "New Unit" means an IT unit which is established and commissioned by the entrepreneur in West Bengal for the first time on or after 1st August, 2012 and is registered with the Directorate of Industries/WBEIDCL.
- vii. "Existing IT Unit" means a unit which has been in continuous operation in the state as at least since 01.09.2004 and has obtained registration certificate from Director of Industries, West Bengal/WBEIDCL.

- viii. "Approved Project" means the IT project of a Unit and for which registration certificate has been issued under the IT Incentive Scheme 2012 by WBEIDC Ltd.
- ix. "Eligible IT Unit" means an existing or new IT Unit working in West Bengal having registration certificate issued by the Director of Industries/WBEIDCL.

Training Subsidy under this Scheme

The Government of West Bengal in the IT Department through authorized agent i.e. WBEIDC will provide training subsidy to eligible units at the rate not exceeding Rs. 20,000/- per training for maximum 750 trainees in a company in case of Group A & B locations and 1000 trainees in case of Group C & D locations.

The maximum amount eligible for each trainee will be Rs. 20,000/- or one month's salary whichever is lower. A maximum of 750 candidates per IT Unit in Group A & B locations and 1000 trainees in Group C & D locations will be provided training subsidy.

The training subsidy will be provided only on completion of training and in suitable installments to be decided by the Government. When a company applies for such subsidy a second time (subject to its not exceeding maximum limit of 750 candidates in Group A & B locations and 1000 trainees in Group C & D locations), number of candidates retained and / or lost by the company for whom it availed subsidy in past will be taken into account.

Eligibility Criteria:

Only fresh graduates will be eligible. The maximum period within which training subsidy can be availed of in respect of a candidate is one year after his / her passing out from institution. This subsidy will be provided to trainees at the entry level / first employment only and they should have been in the company's employment for a minimum period of 6 months. The training subsidy will only be considered once the company concerned certifies successful completion of training by eligible candidates and continuation of their employment in the company for a minimum period of 6 months. The earliest period of start of training for which training subsidy will be considered will be on or after 01.08.2012. Applicability of Interest Subsidy / Training Subsidy

This scheme will run concurrently with West Bengal ICT Incentive Scheme 2012 (Clause 8) under the following applicability. The categories of Group A, B C & D locations are described in clause 6, under title: Classification of development areas and Backward areas.

Option 1:

An eligible company may claim only "Interest Subsidy" under IT Incentive Scheme 2012 on the Annual interest liability on the Term Loan borrowed from a Commercial Bank /Financial Institution for implementation of the said project. The amount is fixed at Rs. 150.00 lakh per year for five years for Group A and B category locations and Rs.200.00 lakh per year for seven years for Group C & D category location.

Option 2:

An eligible company may claim only "Training Subsidy" as enumerated in West Bengal Scheme of Assistance to IT & ITeS for Human Resource Development - 2012. The scheme will come into effect from 1st August, 2012 for five years only upto 31st July, 2017. However the earliest period of start of training for consideration of Training Subsidy will be on or after 01.01.2007. The amount is fixed at Rs. 150.00 lakh per year for five years for A &B location and Rs.200.00 lakh for C&D locations.

Option 3:

An eligible company may claim both "Interest Subsidy" and "Training Subsidy" and such companies will be governed by both the schemes as in OPTION 1 and OPTION 2, but the combined limit of both the schemes shall not exceed Rs. 150.00 lakh per year for A & B locations and Rs 200.00 lakh for C & D locations.

"Provided that a unit can opt for either Option 1 or 2 or 3 as above but not any two or three simultaneously and that the option has to be clearly exercised before claiming any subsidy from either of the Schemes."

Operationalisation of the scheme

- i) The IT unit desirous of availing training subsidy should apply in prescribed format to M.D., WBEIDC, enclosing Registration Certificate obtain from Director of Industries, West Bengal/MD,WBEIDCL.
- ii) On receipt of application, the MD, WBEIDC will process the application and recommend the case for providing training subsidy to the IT Deptt.
The subsidy will be released by the IT Department through authorized agent i.e. WBEIDC for disbursement to the concerned unit.
WBEIDC before a recommending the case may inspect the unit and see all the required documents before processing and recommending the case for subsidy.

MD, WBEIDC will also maintain a separate register for recording the details of applications recommended for subsidy in respect of each company.

A separate database of all candidates provided training subsidy will be maintain by WBEIDC, so that, no candidate is provided training subsidy more than once.

For further details, please contact

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