

The vision statement of this policy is to create an ecosystem for an inclusive, balanced and sustainable development of the State. Focused effort is needed for dispersal of the industries to the industrially backward taluks to realize this vision. In order to create a strong industrial base with equitable allocation of funds and for overall development of the State, the taluks are grouped based on backwardness in industrial development and region with separate incentives and concessions in different zones as mentioned in **Annexure 5**.

## 9.1 Incentives and Concessions for MSMEs

MSMEs are the backbone of Karnataka's economy. They are the engine of incessant growth, both in terms of value addition and providing livelihood to millions of people and creating value for the entire community. MSMEs are the best placed to utilize local resources and create local entrepreneurship. Considering the critical role of this sector, Government will continue to strengthen and promote the MSME sector for achieving inclusive industrial growth and promoting employment generation. To keep the momentum of growth and to encourage holistic development of MSMEs, the State Government will provide the following incentives and concessions.

**Table 9.1.1**

Type of Support	General Category	Special Category (SC/ST, Women, Minorities, Physically Challenged and Ex-Servicemen Entrepreneurs)															
<b>Investment Promotion Subsidy for Micro &amp; Small Enterprises</b>	<b>a)Micro Enterprises</b>  Zone 1 : 30% of VFA (max of INR. 25 lakh) Zone 2 : 25% of VFA (max of INR. 20 lakh) Zone 3 : NIL  <b>b)Small Enterprises</b>  Zone 1 : 25% of VFA (max of INR. 100 lakh) Zone 2 : 20% of VFA (max of INR. 90 lakh) Zone 3 : NIL  <b>VFA - Value of Fixed Assets</b>	<b>a)Micro Enterprises</b>  Zone 1 : 35% of VFA (max of INR. 30 lakh) Zone 2 : 30% of VFA (max of INR. 25 lakh) Zone 3 : 10% of VFA (max of INR. 10 lakh)  <b>b)Small Enterprises</b>  Zone 1 : 30% of VFA (max of INR. 105 lakh) Zone 2 : 25% of VFA (max of INR. 95 lakh) Zone 3 : 10% of VFA (max of INR. 25 lakh)  <b>VFA - Value of Fixed Assets</b> <i>The additional subsidy of 5% of VFA in Zone 1 and 2 is subject to maximum of INR 5 lakh</i>															
	<b>Note:</b> Micro & Small Enterprises can avail an investment promotion subsidy to an extent of 10% of the turnover in each financial year and spread the same to maximum of five financial years from the date of commercial production. Such cumulative investment promotion subsidy availed will be limited to the maximum extent as above. This investment promotion subsidy is limited to either the period (five financial years) or the limits whichever is reached earlier and no carry forward is permitted.																
<b>Investment Promotion Subsidy for Medium Enterprises</b>  Minimum direct Employment 20 Number for first INR 10 crore & additional 7 employment for every additional investment of INR 10 crore proportionately.	<b>c)Medium Enterprises</b>  <table border="1"> <thead> <tr> <th>Zone</th> <th>Turnover percentage</th> <th>Maximum Period (Years)</th> <th>VFA Limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="2">2.50%</td> <td>6</td> <td>40 % of VFA</td> </tr> <tr> <td>2</td> <td>5</td> <td>35 % of VFA</td> </tr> <tr> <td>3</td> <td></td> <td>NIL</td> <td></td> </tr> </tbody> </table> <b>Note:</b> Medium Enterprises can avail an investment promotion subsidy to an extent of percentage of the turnover in each financial year for a maximum period as above from the date of commercial production. Such cumulative investment promotion subsidy availed will be limited to either the period or VFA limits whichever is reached earlier and no carry forward is permitted.  Medium Enterprises requiring lower employment / Enterprises which are unable to provide employment proportionate to investment as stipulated will have a lower turnover percentage in proportion to the total employment provided. However, the maximum period and VFA limit will be as above.		Zone	Turnover percentage	Maximum Period (Years)	VFA Limit	1	2.50%	6	40 % of VFA	2	5	35 % of VFA	3		NIL	
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3		NIL															

Type of Support	General Category	Special Category (SC/ST, Women, Minorities, Physically Challenged and Ex-Servicemen Entrepreneurs)
Exemption from Stamp Duty for MSMEs	<p><b>Exemption from stamp duty and concessional registration charges:</b></p> <p>Stamp duty to be paid in respect of loan agreements, credit deeds, mortgage and hypothecation deeds executed for availing loans from State Financial Corporation, National Level Financial Institutions, Commercial Banks, Regional Rural Banks, Co-operative Banks, Khadi and Village Industries Board, Khadi and Village Industries Commission, Karnataka State SC/ST Development Corporation, Karnataka State Minority Development Corporation and other institutions which may be notified by the Government from time to time for the initial period of five years only and for lease deeds, lease-cum-sale, sublease and absolute sale deeds executed by industrial enterprises in respect of industrial plots, sheds, industrial tenements, flatted factories by Karnataka Industrial Areas Development Board, Karnataka State Small scale Industries Development Corporation, KEONICS, Industrial Co-operatives, approved private industrial estates/parks, food parks, SPV formed by GoK / GoI and other approved industrial parks shall be exempted as below:</p>	
Concessional Registration Charges for MSMEs	Zone 1, Zone 2: <b>INR 1/- per INR 1,000/-</b> Zone 3: <b>Nil</b>	All Zones: <b>INR 1/- per INR 1,000/-</b>
	<p>Note:</p> <p><i>i. The exemption of stamp duty and concessional registration charges are also applicable to lands purchased under Section 109 of the KLR Act, 1961 and also for direct purchase of industrially converted lands for the projects approved by SLSWCC / DLSWCC. This incentive will also be applicable for the land transferred by KIADB to landowners as compensation for the acquired land.</i></p> <p><i>ii. The exemption of stamp duty and concessional registration charges are also available for registration of final sale deed in respect of lands, sheds, plots, industrial tenements after the expiry of the lease period at the rate as specified in the Industrial Policy which was in vogue at the time of execution of lease-cum-sale deed.</i></p>	
Reimbursement of Land Conversion Fee for MSMEs	Zone 1 : 100% Zone 2 : 100% Zone 3 : NIL	Zone 1 : 100% Zone 2 : 100% Zone 3 : 75%
Exemption from Tax on Electricity Tariff for MSMEs	Zone 1 : 100% for 7 years Zone 2 : 100% for 6 years Zone 3 : NIL	Zone 1 : 100% for 8 years Zone 2 : 100% for 7 years Zone 3 : 100% for 4 years
Power Subsidy for Micro and Small enterprises	<p><b>For Zone 1 &amp; 2 only</b></p> <p>Reimbursement of cost of power paid at <b>INR 1.00/-</b> per unit consumed for a period of 3 years.</p>	
Support to Artisans	<p><i>i. Term loan and working capital credit at 4% interest rate to the artisans.</i></p> <p><i>ii. 10% Market Development Assistance (MDA) on turnover of handicraft products by artisans.</i></p> <p><i>iii. 75% of grant for machineries and tools for artisan associations, craft complexes, clusters, etc.</i></p>	

**Table 9.1.2**

<b>Technology Adoption &amp; Innovation for MSMEs</b>		
	<b>General Category</b>	<b>Special Category</b> (SC/ST, Women, Minorities, Physically Challenged & Ex-Servicemen Entrepreneurs)
<b>Interest Subsidy on Technology Up-gradation Loan</b>	Zone 1 : 5% for 6 years * Zone 2 : 5% for 5 years * Zone 3 : 5% for 5 years *  <i>* on loans availed from KSFC &amp; Scheduled Commercial Banks which are not covered under CLCSS of Government of India</i>	Zone 1 : 5% for 6 years * Zone 2 : 5% for 5 years * Zone 3 : 5% for 5 years *  <i>* on loans availed from KSFC and Scheduled Commercial Banks which are not covered under CLCSS of Government of India</i>
<b>Technology Adoption</b>	<b>For All Zones</b>  25% of cost (max. INR 50,000/-) for adopting technology from recognized national laboratories as stated in Annexure 8.	<b>For All Zones</b>  50% of cost (max. INR 1,00,000/-) for adopting technology from recognized national laboratories as stated in Annexure 8.
<b>Technology Business Incubation Centre (TBIC)</b>	<b>For All Zones</b>  25% of the cost of incubation centre (max. INR 50.00 lakh) <i>(Minimum 1 TBIC in Zone 1)</i>	<b>For All Zones</b>  50% of the cost of incubation centre (max. INR 60.00 lakh) <i>(Minimum 1 TBIC in Zone 1)</i>
<b>Incentives for Quality Certification</b>	<b>For All Zones</b>  ISO Series Certification: 75% of cost (max. INR 75,000/-)  BIS Certification: 50% of fees payable to BIS for certification (max. INR 20,000/-) & 25% of cost (max. INR 50,000/-) for purchase of testing equipment as approved by BIS.	<b>For All Zones</b>  ISO Series Certification: 75% of cost (max. INR 1,00,000/-)  BIS Certification: 50% of fees payable to BIS for certification (max. INR 25,000/-) & 25% of cost (max. INR 1,00,000/-) for purchase of testing equipment as approved by BIS. WeConnect.
	<b>WEConnect certification for Women owned Business Enterprises (WBEs)</b>  For All Zones  For a period of 3 years maximum limit Rs. 75,000/- 100% of certification fees for the 1st year – max INR 30,000/- 90% of certification fees for the 2nd year – max INR 27,000/- 80% of certification fees for the 3rd year – max INR 18,000/-	

**Table 9.1.3**

<b>Sustainability and Responsible Industrialization by MSMEs</b>		
<b>Type of Support</b>	<b>General Category</b>	<b>Special Category</b> (SC/ST, Women, Minorities, Physically Challenged & Ex-Servicemen Entrepreneurs)
<b>Rain Water Harvesting</b>	For All Zones 50% of cost of equipment (max. INR 2.00 lakh)	For All Zones 75% of cost of equipment (max. INR 2.50 lakh)
<b>Waste Water Recycling</b>	For All Zones 50% of cost of equipment (max. INR 7.50 Lakh)	For All Zones 75% of cost of equipment (max. INR 8.50 Lakh)
<b>Reimbursement of expenses incurred for Water Audit</b>	For All Zones 75% subject to max. of INR 1.00 Lakh each for water audit (one time)	For All Zones 75% subject to max. of INR 1.00 Lakh each for water audit(one time)
<b>Zero Discharge</b>	For All Zones 50% of cost of equipment (max. INR 7.50 Lakh)	For All Zones 75% of cost of equipment (max. INR 8.50 Lakh)
<b>Recycling of electronic waste and plastic waste</b>	For All Zones 5% of VFA (max. INR 10.00 Lakh)	For All Zones 5% of VFA (max. INR 12.00 Lakh)
<b>Subsidy for setting up ETP</b>	For All Zones 50% of cost of ETP (max. INR 50.00 Lakh)	For All Zones 75% of cost of equipment (max. INR 60.00 Lakh)

## 9.2 Incentives and Concessions for Large, Mega, Ultra Mega and Super Mega Enterprises

The details of standard package of incentives and concessions offered for establishment of Industries under Large, Mega, Ultra Mega, Super Mega category of enterprises are as under:

**Table 9.2.1**

Large, Mega, Ultra Mega and Super Mega Enterprises	
Type of Support	For all Categories
Exemption from Stamp Duty	<p><b>Exemption from stamp duty and concessional registration charges:</b></p> <p>Stamp duty to be paid in respect of loan agreements, credit deeds, mortgage and hypothecation deeds executed for availing loans from State Government including VAT/SGST loan from Department and / or State Financial Corporation, Industrial Investment Development Corporation, National Level Financial Institutions, Commercial Banks, Regional Rural Banks, Co-operative Banks and other institutions which may be notified by the Government from time to time for the initial period of five years only and for lease deeds, lease-cum-sale, sub-lease and absolute sale deeds executed by industrial enterprises in respect of industrial plots, sheds, industrial tenements by Karnataka Industrial Areas Development Board, KSIIDC, KEONICS, Industrial Co-operatives, approved private industrial estates/parks, food parks, SPV formed by GoK / Gol and other approved industrial parks shall be exempted as below:</p>
	<p>Zone 1 : 100% Zone 2 : 75% Zone 3 : Nil</p>
Concessional Registration Charges	<p>Zones 1, Zone 2: INR 1/- per INR 1,000/- Zone 3: Nil</p>
	<p><b>Note:</b></p> <p><i>i. The exemption of stamp duty and concessional registration charges are also applicable to lands purchased under Section 109 of the KLR Act, 1961 and also for direct purchase of industrially converted lands for the projects approved by SLSWCC / SHLCC. This incentive will also be applicable for the land transferred by KIADB to land owners as compensation for the acquired land.</i></p> <p><i>ii. The exemption of stamp duty and concessional registration charges are also available for registration of final sale deed in respect of lands, sheds, plots, industrial tenements after the expiry of lease period at the rate as specified in the Industrial Policy which was in vogue at the time of execution of lease-cum-sale deed.</i></p> <p><i>iii. CETP / Industrial Hazardous waste disposal projects set up by private investors to support these industries will be eligible for 100% exemption from stamp duty and concessional registration charges of INR 1/- per INR 1,000/- in all zones.</i></p> <p><i>iv. Lands transferred by KIADB to KSSIDC for development of industrial estates will be eligible for 100% exemption from stamp duty and concessional registration charges of INR 1/- per INR 1,000/- in all zones.</i></p>
Reimbursement of Land Conversion Fee	<p>Zone 1 : 100% Zone 2 : 100% Zone 3 : NIL</p>
Subsidy for setting up Effluent Treatment Plant (ETP)	<p>One-time capital subsidy up to <b>50%</b> of the cost of Effluent Treatment Plants (ETPs), subject to a ceiling of <b>INR 250 Lakh</b> for all zones</p>
Subsidy for setting up Common Effluent Treatment Plant (CETP) / Industrial Hazardous waste disposal projects by a private investor	<p>One-time capital subsidy up to 50% of the cost of Common Effluent Treatment Plant (CETP) / Industrial Hazardous waste disposal projects subject to a ceiling of <b>INR 500 Lakh</b> per project in all zones.</p>
Investment Subsidy for Anchor Industries	<p>To encourage investments in taluks where there are no industries with investments above <b>INR 100 crore</b> and direct employment of <b>75 persons</b>.</p> <p>Investment Subsidy of <b>INR 10.00 crore</b> in Zone 1 and <b>INR 7.00 crore</b> in Zone 2.</p>

## Investment Promotion Subsidy based on Turnover for Large, Mega, Ultra Mega and Super Mega Enterprises

Investment range on fixed assets	Reimbursement based on Turnover															
<p><b>Large Enterprises:</b> (i.e. enterprises which are not classified as Medium Enterprises but have investments on fixed assets of up to INR 250 crore)</p> <p>Minimum direct Employment 50 Number for first INR 50 crore &amp; additional 35 employment for every additional investment of INR 50 crore proportionately.</p>	<p>Investment Promotion Subsidy based on turnover from the date of commencement of commercial production as follows</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Zone</th> <th style="text-align: center;">Turnover percentage</th> <th style="text-align: center;">Maximum Period (Year)</th> <th style="text-align: center;">VFA Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td rowspan="2" style="text-align: center;">2.25%</td> <td style="text-align: center;">7</td> <td style="text-align: center;">45 % of VFA</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">6</td> <td style="text-align: center;">40 % of VFA</td> </tr> <tr> <td style="text-align: center;">3</td> <td colspan="3" style="text-align: center;">NIL</td> </tr> </tbody> </table>	Zone	Turnover percentage	Maximum Period (Year)	VFA Limit	1	2.25%	7	45 % of VFA	2	6	40 % of VFA	3	NIL		
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1	2.25%	7	45 % of VFA													
2		6	40 % of VFA													
3	NIL															
<p><b>Mega Enterprises:</b> (i.e. investment on fixed assets above INR 250 crore to INR 500 crore)</p> <p>Minimum direct Employment 200 Number for first INR 250 crore &amp; additional 35 employment for every additional investment of INR 50 crore proportionately.</p>	<p>Investment Promotion Subsidy based on turnover from the date of commencement of commercial production as follows</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Zone</th> <th style="text-align: center;">Turnover percentage</th> <th style="text-align: center;">Maximum Period (Year)</th> <th style="text-align: center;">VFA Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td rowspan="2" style="text-align: center;">2.00 %</td> <td style="text-align: center;">8</td> <td style="text-align: center;">50 % of VFA</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">7</td> <td style="text-align: center;">45 % of VFA</td> </tr> <tr> <td style="text-align: center;">3</td> <td colspan="3" style="text-align: center;">NIL</td> </tr> </tbody> </table>	Zone	Turnover percentage	Maximum Period (Year)	VFA Limit	1	2.00 %	8	50 % of VFA	2	7	45 % of VFA	3	NIL		
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1	2.00 %	8	50 % of VFA													
2		7	45 % of VFA													
3	NIL															
<p><b>Ultra Mega Enterprises:</b> (i.e. investment on fixed assets above INR 500 crore to INR 1,000 crore)</p> <p>Minimum direct Employment 400 Number for first INR 500 crore &amp; additional 35 employment for every additional investment of INR 50 crore proportionately.</p>	<p>Investment Promotion Subsidy based on turnover from the date of commencement of commercial production as follows</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Zone</th> <th style="text-align: center;">Turnover percentage</th> <th style="text-align: center;">Maximum Period (Year)</th> <th style="text-align: center;">VFA Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td rowspan="2" style="text-align: center;">1.85 %</td> <td style="text-align: center;">9</td> <td style="text-align: center;">55 % of VFA</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">8</td> <td style="text-align: center;">50 % of VFA</td> </tr> <tr> <td style="text-align: center;">3</td> <td colspan="3" style="text-align: center;">NIL</td> </tr> </tbody> </table>	Zone	Turnover percentage	Maximum Period (Year)	VFA Limit	1	1.85 %	9	55 % of VFA	2	8	50 % of VFA	3	NIL		
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1	1.85 %	9	55 % of VFA													
2		8	50 % of VFA													
3	NIL															
<p><b>Super Mega Enterprises:</b> (i.e. investment on fixed assets above INR 1,000 crore)</p> <p>Minimum direct Employment 750 Number for first INR 1,000 crore &amp; additional 35 employment for every additional investment of INR 100 crore proportionately.</p>	<p>Investment Promotion Subsidy based on turnover from the date of commencement of commercial production as follows</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Zone</th> <th style="text-align: center;">Turnover percentage</th> <th style="text-align: center;">Maximum Period (Year)</th> <th style="text-align: center;">VFA Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td rowspan="2" style="text-align: center;">1.75 %</td> <td style="text-align: center;">10</td> <td style="text-align: center;">60 % of VFA</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">9</td> <td style="text-align: center;">55 % of VFA</td> </tr> <tr> <td style="text-align: center;">3</td> <td colspan="3" style="text-align: center;">NIL</td> </tr> </tbody> </table>	Zone	Turnover percentage	Maximum Period (Year)	VFA Limit	1	1.75 %	10	60 % of VFA	2	9	55 % of VFA	3	NIL		
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## 9.3 Incentives and Concessions for Private Industrial Parks

Karnataka is keen on further expanding the existing industrial base by facilitating investors to set up Private Industrial Parks. Eligible Private Industrial Parks shall be granted the following standard package of incentives and concessions during the policy period:

**Table 9.3.1**

<b>Private Industrial Parks – Developer</b>	
<b>Type of Support</b>	<b>For all Categories</b>
<b>Exemption from Stamp Duty &amp; Concessional Registration Charges</b>	Stamp Duty to be paid shall be exempted and concessional registration charges rate of INR 1/- per INR 1,000/- in respect of loan agreements and for lease deeds, lease-cum-sale deeds, absolute sale deeds executed by Developer in respect of lands purchased for development of private industrial parks in all Zones.
<b>Subsidy for setting up Common Effluent Treatment Plant (CETP) / Industrial Hazardous waste disposal projects.</b>	One-time capital subsidy up to <b>50%</b> of the cost of Common Effluent Treatment Plant (CETP) subject to a ceiling of <b>INR 500 Lakh</b> in all Zones.
<b>Capital Subsidy for Setting up STP</b>	One-time capital subsidy up to <b>50%</b> of the cost of Secondary Treatment Plants (STPs), subject to a ceiling of <b>INR 1.00 crore</b> in all Zones.
<b>Additional Incentives to Micro &amp; Small Units Established within Private Industrial Parks over and above the standard package of incentives and concessions for MSMEs</b>	
<b>Land Subsidy</b>	Special land subsidy to micro & small enterprises in private industrial areas/ parks/ estates/ flatted factories at the rate of <b>25%</b> of guidance value limiting to maximum extent of up to 1 acre in Zones 1 & 2 only. In such cases land value shall not be considered under the Value of Fixed Assets (VFA) for sanction of any other incentives linked to VFA.
<b>Water Charges</b>	Subsidy on water charges for tertiary treated water used by micro and small enterprises established within the private industrial areas/ parks/ estates/ flatted factories shall be available for the initial <b>5</b> years of operation of the individual enterprise at the rate of <b>INR 15/-</b> per unit of water (KLD) used in case of establishment of tertiary treatment facilities within / outside the private industrial areas/ parks/ estates/ flatted factories and supplied to such enterprises by the developer
<b>CETP Charges</b>	To enable continuous usage of CETP, a subsidy on user charges of CETP at the rate of <b>INR 15/-</b> per unit of effluent discharge treated shall be available to micro and small enterprises for the initial <b>5</b> years of operation of the enterprise.
<b>Investment Promotion Subsidy to Private Industrial Parks including International Industrial Park</b>	
<b>Investment Promotion Subsidy</b>	<b>5%</b> of eligible fixed capital investment on building and infrastructure facilities in all Zones.

## 9.4 Additional Package of Incentives and Concessions

Eligible Industrial Enterprises in the below mentioned sectors shall be granted incentives and concessions over and above the standard package of incentives /concessions mentioned in the policy.

**Table 9.4.1**

Export Industries	
Type of Support	For all Categories
Electricity Tax Exemption	100% Electricity Tax exemption for new MSME Export Enterprises ( <i>Minimum 50% of the turnover should be in exports</i> ) for an initial period of 5 year in Zone-3.
Performance Subsidy	MSME Enterprises who double their exports in subsequent years will be paid 1% of FOB value to the tune of maximum of <b>INR 10.00 lakh</b> per unit in all Zones.
Bank Charges	Reimbursement of Bank charges on production of EBRC for all exports from MSME sector in all Zones subject to maximum of <b>INR 1.00 lakh</b> per unit.
ECGC Charges	Reimbursement of ECGC charges for MSMEs to an extent of <b>100%</b> maximum of <b>INR 1.00 lakh</b> per unit per year in all Zones.
Certification Charges	Refund of certification charges incurred for obtaining statutory certifications like CE, China compulsory certificate (CCC), GMP, Phytosanitary certificates, IFS-BRC-FSSC 22000 Certification to the extent of 50% of expenses subject to maximum of <b>INR 1.00 Lakh</b> per unit in all Zones.
Fees for Acquiring Certification	Refund of fees for individual entrepreneurs for acquiring certification on EXPORT-IMPORT Management course conducted by I, New Delhi or any other recognized institutions for a minimum duration of 4 months shall be reimbursed to the extent of 50% of fees subject to a ceiling of <b>INR 25,000</b> per candidate per course. The incentive will be available only for one time and for one course in the policy period in all Zones subject to a maximum of <b>INR 1.00 lakh</b> per unit.

**Table 9.4.2**

Pharmaceutical Industry	
Type of Support	For all Categories
Establishment of Pharma Park	Common testing laboratory, cold storage & warehousing – one-time capital subsidy up to 50% of the total cost subject to a ceiling of INR 5.00 crore and remaining 50% from the stakeholders / developer in Zones 1 & 2 only.
Clinical Trials	An annual incentive up to 20% of expenditure towards clinical trials for bio availability and bio-equivalence subject to a maximum of INR 1.00 crore per clinical trial in Zones 1 & 2 only.

**Table 9.4.3**

Medical Devices Manufacturing Industry	
Type of Support	For all Categories
Establishment of Medical Devices Park	Common facilities, calibration, testing, quality control, waste management, etc. – one-time capital subsidy up to 50% of the total cost subject to a ceiling of INR 5.00 crore and remaining 50% from the stakeholders / developer in all Zones.

## 9.5 Support to Skill Development

Table 9.5.1

Skill Development	
Type of Support	For all Categories
<b>Institutional Tie-Ups for Advanced Sector Specific Skilling</b>	Institutional tie-ups/Vocational Training Institutes for sector specific advanced skilling & up-skilling coming up in all Zones through industry associations will be eligible for a <b>50 per cent</b> capital subsidy on cost of equipment and machinery limited to <b>INR 15.00 Lakh</b> . State will also play the role of a facilitator, if required. This capital subsidy will be available only to 2 units per year during the policy period.
<b>On the Job Training</b>	On the Job Training: A scheme would be formulated to provide on the job training to 2,000 ITI passed candidates each year to increase the employability of the candidates. It is proposed to give stipend to the extent of <b>50%</b> of salary paid by the Industry subject to ceiling of <b>INR 7,000 pm per</b> candidate. This incentive would be extended up to 6 months of on the job training.
<b>Entrepreneurship Development Programmes</b>	Entrepreneurship development and management programmes, sector specific skilling programmes, hands-on training, mentoring will be conducted by DICs to promote new generation entrepreneurs and start-ups.
<b>Artisan Training Institutes</b>	Existing Artisan Training Institutes (ATIs) will be utilized on PPP mode for skill enhancement. Industry, industry associations and private players will be encouraged to actively participate in designing curriculum and standards for skill training courses, depute their industry members as faculty and make shop floor available for practical training if required.
<b>Artisan Training Beneficiary Stipend</b>	Support towards training cost would be <b>INR 10,000 per month</b> for a maximum duration of 3- 6 months for Artisans in recognized Artisan Clusters.

## 9.6 General

Table 9.6.1 - Support to Research & Development

Research & Development	
Type of Support	For all Categories
<b>Capital Subsidy for supporting R&amp;D</b>	<p>Exclusive R&amp;D centers coming up in all Zones through industry / industry associations supporting MSMEs will be eligible for a <b>50%</b> subsidy on equipment/ machinery limited to <b>INR 500.00 Lakh</b>.</p> <p>Available only to the first 3 R&amp;D centres in each of the respective sectors viz. Automotive &amp; Auto Components; Pharmaceuticals; Medical Devices; Engineering &amp; Machine Tools during the policy period. (Minimum 1 R&amp;D centre in Zone 1)</p>



**Table 9.6.2 - Support to Industry 4.0**

Industry 4.0	
Type of Support	For all Categories
Centre of Excellence	Centre of Excellence for Industry 4.0 shall be setup in the State with the help of industry associations, institutes having requisite capacity and any leading academic technical institution of the State. The State will provide a grant of <b>INR 100 crore</b> for CoE at Bengaluru and its Regional Centres, subject to the condition that such CoE use only existing building/s and taking up of new construction will not be considered.
Capital Subsidy for supporting Direct Digital Manufacturing	Capital subsidy of 50% limited to <b>INR 500 lakh</b> per centre for the <b>first five units</b> in the State with the help of industry associations / institutes having requisite capacity during the policy period. These common facilities will be housed and managed by industry association / institutes on pay-per-use basis & will act as repositories.

**Table 9.6.3 - Support to Intellectual Property Rights (IPR)**

Intellectual Property Rights (IPR)	
Type of Support	For all Categories
Financial Assistance to establish IP Cells and Technology Transfer Centers	One Time grant of 50%, not exceeding INR 5.00 Lakh, on expenditure incurred in establishment of IP Cells and Technology Transfer Centers (TTCs) at recognized Educational Institutions, Universities and other such Centers identified by the Commerce and Industries Department. <i>(Minimum 1 IP Cells and Technology Transfer Centers in Zone 1)</i>
Assistance to establish IP Promotion & Facilitation Hubs	One Time grant of 50%, not exceeding INR 10.00 Lakh, on expenditure incurred in establishment of IP Promotion & Facilitation Hubs at Trade Bodies, Industry Associations recognized by the Commerce and Industries Department. <i>(Minimum 1 IP Promotion &amp; Facilitation Hubs in Zone 1)</i>
Incentive for filing a Patent/ Invention	Expenditure incurred for filing of a Non-Provisional Patent Application will be subsidized to an extent of 75% & not exceeding INR 1.00 Lakh for each application
Geographical Indication	Support for GI is covered under the GI Policy issued vide G.O Nos. CI / 65 / SSI / 2018 dtd. 18/05/2019 & 19/07/2016

**Table 9.6.4 - Support to Healthcare Enterprises**

Healthcare Enterprises	
Type of Support	For all Categories
Encouragement for waste management practices	One-time capital subsidy up to 50% of the cost of the bio medical waste management systems (sterilizers etc.) for all zones subject to a ceiling of INR 2.50 crore for Large Enterprises and INR 50.00 lakh for MSMEs.