

Summary of Incentive Policies by the Himachal Pradesh Government for Investments in IT, ITeS, ESDM, and Green Data Centers

Fiscal Incentives

1. Subsidy for Project Reports

- 50% reimbursement for costs incurred in preparing project reports and valuation of technical civil works, up to INR 1 lakh.

2. Lease Rental Subsidy

- For IT, ITeS Enterprises:
 - 75% subsidy in the first year, 50% in the second year, and 25% for the next three years, with a maximum subsidy of INR 15 lakhs in the first year, INR 10 lakhs in the second, and INR 5 lakhs for subsequent years.
- For ESDM Enterprises and Green Data Centers:
 - 85% subsidy in the first year, 60% in the second year, and 35% for the next three years, with maximum limits of INR 20 lakhs, INR 15 lakhs, and INR 10 lakhs respectively.

3. Capital Subsidy

- IT, ITeS Enterprises: 25% of Fixed Capital Investment (FCI), excluding land costs, up to INR 1 crore.
- ESDM Enterprises and Green Data Centers: 50% of FCI, excluding land costs, up to INR 2 crores.

4. Exemptions

- 100% exemption from stamp duty, registration fees, and Change in Land Use (CLU) fees.

5. Interest Subvention

- IT, ITeS Enterprises: 5% interest subvention on term loans, capped at INR 25 lakhs per annum for five years.
- ESDM Enterprises and Green Data Centers: 5% interest subvention on term loans, capped at INR 30 lakhs per annum for five years.

6. Net SGST Reimbursement

- 100% reimbursement for seven years, capped at 100% of Fixed Capital Investment.

7. Patent Filing Assistance

- Domestic patents: INR 5 lakhs or 75% of costs, whichever is lower (up to 5 patents).
- International patents: INR 10 lakhs or 100% of costs, whichever is lower (up to 5 patents).

8. Environmental Protection Support

- 25% reimbursement of costs for Effluent Treatment Plants (ETP) and rainwater harvesting systems, up to INR 3 lakhs.
- 50% reimbursement of power tariffs for ETP operations for four years, up to INR 1 lakh per year.

9. Quality Certification

- 50% reimbursement for ISO certifications or similar, up to INR 7 lakhs per enterprise.
- 10. Market Development Support**
 - 50% reimbursement for participation in international trade fairs, capped at INR 5 lakhs per enterprise, twice during the policy period.
- 11. Transportation Assistance**
 - For ESDM Enterprises and Green Data Centers: 50% reimbursement for inland carriage and transit insurance of machinery, up to INR 7 lakhs.

Non-Fiscal Incentives

- 1. Essential Industry Status**
 - IT, ITeS, and ESDM enterprises will be treated as essential and continuous process industries.
- 2. Land Banks**
 - Dedicated land banks will be established for IT Parks and SEZs.
- 3. Local Preference**
 - Local firms will receive preference in government procurement, with at least 40% of orders allocated to them if their bids are within 5% of the lowest price.
- 4. Women Safety in Late Shifts**
 - Enterprises permitted to operate night shifts for women employees, with necessary safety measures.
- 5. Simplified Inspections**
 - Exemptions from routine inspections by labor and factory inspectors, with provisions for self-certification or third-party inspection.
- 6. Pollution Control Board Exemptions**
 - Exemption from NOC requirements, except for power generation units above 1000 KVA.
- 7. Time-Bound Clearances**
 - Clearances guaranteed under the Himachal Pradesh Public Service Guarantee Act, 2011.
- 8. Self-Certification**
 - Simplified compliance under various labor laws, with provisions for self-certification.

Support for Co-Working Spaces

- 1. Reimbursement**
 - 50% of project costs, up to INR 20 lakhs, covering facilities like furniture, internet, power backup, and common areas.
- 2. Lease Rental Subsidy**
 - INR 10 per square foot per month, capped at 25% of actual rent for three years.

Private IT Parks

- Eligible for incentives under the Himachal Pradesh Industrial Investment Policy, 2019.