



सत्यमेव जयते

Government of Tripura

Tripura IT/ITeS Policy & Roadmap, 2017 and Tripura IT Incentive Scheme, 2017

**DEPARTMENT OF INDUSTRIES & COMMERCE
(INFORMATION TECHNOLOGY)**



TAPAN CHAKRABORTI



Minister

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MESSAGE

It is a matter of great pleasure and pride that State Government has introduced "IT/ITeS Policy and Roadmap and Tripura IT Incentive Scheme-2017". With the vision to promote IT industries in the State and to create employment avenues for the IT educated youths, State Government has taken following major initiatives:

1. Setting up of Software Technology Parks in collaboration with Software Technology Parks of India, GoI to create incubation facility for the IT companies.
2. Construction of 'IT Bhawan' to accommodate Software Technology Park.
3. Introduction of "IT/ITeS Policy and Roadmap-2017 and Tripura IT Incentive Scheme-2017".

The Tripura IT Incentive Scheme-2017 is formulated to position Tripura as an attractive investment hub for IT/ITeS Industries. Efforts have been taken to provide incentives to the IT/ITeS Industries through this scheme. The IT Incentive Scheme-2017 shall be applicable to all micro, small, medium and large IT/ITeS enterprises which came into effect from 1st April, 2017 and shall remain in force for a period of five years ending on the 31st March, 2022.

I hope that the Tripura IT Incentive Scheme-2017 will play a significant role in attracting investors from various parts of the country and thereby promoting further development of IT industries in the State for employment generation and overall development of the State. I invite all the IT/ITeS enterprises to avail the benefit of "Tripura IT Incentive Scheme-2017" and the advantage of truly investor friendly environment to setup IT/ITeS Industries in Tripura and join hands in the development of the State.

Tapan Chakraborti
5.1.18.
(Tapan Chakraborti)



M. Nagaraju, IAS

**PRINCIPAL SECRETARY
GOVERNMENT OF TRIPURA**

**INDUSTRIES & COMMERCE DEPARTMENT
TRIPURA: AGARTALA**

M E S S A G E

Tripura has tremendous potential for development of IT/ITeS sector due to good air connectivity with the rest of the country, increasingly developing e-connectivity and skilled manpower. Moreover, e-Governance is a priority area in all the Departments of the Government of Tripura.

2. Considering these factors, it was extremely essential to create a roadmap for promoting development of IT/ITeS sector in the State and to transform it into an attractive investment hub in the country. The Tripura IT Incentive Scheme 2017 is formulated with that vision to provide incentives to the IT/ITeS Industries in the State and to promote IT Industries and for creating a favourable environment through an enabling policy and regulatory framework to propel sustainable IT/ITeS Industrial escalation in the State. Government of Tripura welcomes all investors to take a closer look at our potential to further their growth.

3. I am certain that the Tripura IT Incentive Scheme 2017 will attract potential investors from all parts of the country for growth of IT/ITeS sector and to create new avenues for employment of the IT educated youth of the State.

4. I am hopeful that this policy and roadmap would play a significant role in attracting new investments in the sector for overall development of the State.

(M. Nagaraju)



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PART--I-- Orders and Notifications by the Government of Tripura,
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GOVERNMENT OF TRIPURA DEPARTMENT OF INDUSTRIES & COMMERCE (INFORMATION TECHNOLOGY)

No.F.17(1)/DIT/Policy/2005/Vol-I/1589-1593

Dated, Agartala the 6th May, 2017.

NOTIFICATION

Subject: - Introduction of Tripura IT/ITeS Policy and Roadmap 2017 and Tripura IT Incentive Scheme 2017.

The Governor is please to accord sanction to the introduction of the Tripura IT/ITeS Policy and Roadmap 2017 and Tripura IT Incentive Scheme 2017 for the IT/ITeS Enterprises to be setup in the State of Tripura on or after April 1, 2017, as per the detailed appended with this notification.

1. Title of the Policy and Scheme:

Tripura IT/ITeS Policy and Roadmap 2017 and Tripura IT Incentive Scheme 2017.

2. Vision of the Policy:

"Development of infrastructure and human capital for one-stop-service delivery in a simplified and convenient manner for the benefit of citizen and catalyzing IT based employment generation by positive interventions".

3. Duration of the Policy and Scheme:

The Tripura IT/ITeS Policy and Roadmap 2017 shall be applicable in the State from the issue date of this notification, till further notification/order in this regard.

The Tripura IT Incentive Scheme 2017 shall be applicable to all micro, small, medium and large IT/ITeS enterprises which commence their commercial production in the State, on or after the first day of April 2017, but before or on thirty-first day of March 2022, in the private sector, co-operative sector, self-help-groups, joint sector and also companies owned or managed by the State Government.

(M. Nagaraju)

Principal Secretary
Government of Tripura

To

1. All Chambers of Commerce & Industries of Tripura
2. The Addl. Secretary and Director, I&C, Govt. of Tripura
3. The DG, STPI, New Delhi for information please.

Tripura IT/ITeS Policy and Roadmap, 2017

Vision

“Development of infrastructure and human capital for one-stop-service delivery in a simplified and convenient manner for the benefit of citizen and catalyzing IT based employment generation by positive interventions.”

Mission

To foster excellence in e-governance by positioning ICT as a solution provider through:

- Improvements in government structures and processes.
- Promoting citizen-centric simplified governance services.
- Innovations in end to end e-Governance workflow services.
- Documentation and dissemination of good e-Governance practices.
- Positioning the State as an attractive location for Investment at IT/ITeS Segment.

There are four strategic thrust areas supported by various e-Governance activities. The four areas include Digital Transformation of Government Services, Development of Digital Infrastructure, IT Education and Promotion of IT Industry. The vision and mission statements clearly articulate four major key themes for the State. The directions are:

1. Digital Transformation of Government Service

The Government of Tripura is focusing with the vision of providing all Government Services in an integrated manner at the doorstep of the citizen, at an affordable cost. One of the models for delivery of “Web-enabled services Anytime, anywhere access” to information and services in rural area under the project Common Services Centers (CSCs).

- 1.1 To engage and map all the government organizations for digitization with end to end online citizen centric services through a common workflow environment.
- 1.2 To establish the process for the secured and structured digital repository for all the departments at the SDC.
- 1.3 To go for “Paper Less Office” through e-Office, e-File, in all the Government organizations. Digital signatures / eSignature will be provided to all the officials for this purpose.
- 1.4 To integrate e-Payment service to all the government organization through a common platform.
- 1.5 The State Government plans to adopt e-Auction facility in all the government organization.

- 1.6 The State Government plans to adopt e-Procurement facility to all the Government organizations.
- 1.7 Government will encourage use of digital lockers, digital certificates and will identify existing certifying authorities and service providers and strive to keep the prices affordable for common use.
- 1.8 The State Government shall ensure at least one CSC is being functional at every Gram Panchayat (GP) Level to facilitate citizen centric services.
- 1.9 The State Government targets to adopt the Mobile Governance in various Government organizations.
- 1.10 The State Government targets to promote the GPR activities (Government Process Reengineering) at State level so that the IT/ITeS framework layer can be more efficient by eliminating unwanted checkpoints and activities.
- 1.11 The State Government targets to adopt the Aadhaar-based Direct Benefit Transfer of various schemes in all the 8 districts.
- 1.12 The State Government targets to adopt and integrate the public grievance and redressal module (PGRM), also known as Helpline, an e-governance intervention set up as the single window clearance and grievance redressal system for timely resolution of grievances at higher authority and regulatory level.

2. Development of Digital Infrastructure:

Creation of a connectivity backbone is the foundation on which the building blocks of e-Governance initiatives will be placed within the state. A State-Wide Area Network (SWAN) is already in place for connectivity across the state with 71 numbers of POPs across the state.

- 2.1 State targets to provide the high-speed internet broadband connectivity to all the government organizations.
- 2.2 State targets to achieve high speed internet broadband connectivity till Gram Panchayat (GPs) level.
- 2.3 State targets to provide the Infrastructure as a Service (IaaS) to all the government organization in the state through the state's private cloud infrastructure. It will enable automatic scale-up and scale-down of services hosted in the cloud to ease Infrastructure Management, Application Management, consolidate resources, agnostic to the underlying hardware, storage, network, operating system, hypervisor and interoperable across multiple enclosures.

3. Capacity Building, Training and Skill Development

Government of Tripura shall focus upon creating an IT driven and knowledge based society in the state through building core competencies in human resource development and government departments with substantial IT

knowledge. This mechanism shall nurture the necessary skills in IT space to open up new horizons of opportunity and improve standard of life for all citizens of Tripura.

- 3.1 Government of Tripura will promote IT Education in the Schools and Colleges. Computer education shall be provided to the High Schools, Higher Secondary Schools and Colleges.
- 3.2 Government of Tripura shall encourage existing skill development institutions like Agartala NIT, Polytechnic and ITI's to collaborate with reputed institutions for capacity building and skill development.
- 3.3 Govt. of Tripura shall focus on Capacity building in ICT using state of the art eLearning by inviting the top publications in Tripura for developing online content in local as well as English language.
- 3.4 The State Government targets to provide online skill assessment and online recruitment platform by the year.
- 3.5 Government of Tripura shall develop a database of IT experts and trendsetters in Tripura and forecast IT manpower demand.
- 3.6 Adequate training of government officials shall create a competitive advantage in integrating the various departments knowledge bureau at common platform to leverage agile and modular approach of e-Governance.
- 3.7 In Skill Development, IT awareness programmes shall be launched to cover all the sections of the society especially rural areas with the help of Panchayati Raj institutions and District administration.
- 3.8 Innovative tools like touch screens, Interactive Voice Response Systems (IVRS), etc. shall be used for training programmes, government-citizen interfaces.
- 3.9 IT vocational training shall be given for unemployed youths for meeting the market demands.

4. Positioning Tripura as an attractive location for investment in IT/ITeS Segment

To develop an enabling ecosystem for IT/ITeS Industry within the state, the government is focusing on creation of necessary IT infrastructure, development of human resources, and effective implementation of IT/ITeS policies to enhance the quality of life of citizens of Tripura state.

- 4.1 To position Tripura state as an attractive investment hub for IT/ITES industry development by providing Industry friendly environment, proactive industry development approach, supporting ICT infrastructure and facilities, providing pool of skilled manpower at affordable cost, by setting up the single window clearance and grievance redressal system for timely resolution of the issues.

- 4.2 Incentivize the IT/ITeS promotional schemes for promoting STPI within the state. This will create IT/ITeS investor friendly environment within the state and also will encourage the employment of the local talents within the state.
- 4.3 To setup the Rural BPO for the generation of employment in rural and semi urban areas by leveraging the strengthened CSCs across the state.
- 4.4 A Software Technology Park (STP) cum IT Complex was constructed at Indranagar, Agartala with minimum floor area of approximately 8295 square meters. This STP Park entails most of the cutting edge technological IT Infrastructure like Optic fiber connectivity, Broadband connectivity, Wi-Fi access, Video Conferencing and various other incubation facilities.
- 4.5 The STP Park area shall be dedicated for IT activities by IT and ITeS companies to have 24x7 operations (to run in three shifts) and employment of women in all three shifts. STP Park shall be operated on independent reliable feeders to receive uninterrupted power supply from Tripura State Electricity Corporation.
- 4.6 Also, this IT Complex shall house the Tier III State Data Center (TSDC) based on Government of India guidelines and TIA-942 standards, Agartala City Area Network (ACAN), Offices of IT Directorate and Tripura State Computerization Agency (TSCA) etc.



Tripura Information Technology (IT) Incentive Scheme, 2017

1. Short title

The Scheme shall be called the Tripura Information Technology (IT) Incentive Scheme, 2017 (hereafter referred to as “IT Incentive Scheme 2017”) for IT/ITeS industrial enterprises (hereafter referred to as “enterprises”) to be set up in the State of Tripura.

2. Commencement and Duration

Unless specifically mentioned against the respective items of incentives sanctioned under IT Incentive Scheme 2017, it shall come into effect from the first day of April, 2017 in the whole of Tripura and shall remain in force for a period of five years ending on the thirty-first day of March, 2022.

Provided that wherever an incentive is being allowed to an enterprise for a specified period reckoned from the date of commencement of commercial production of the enterprise or any other prescribed date, such benefit will continue to be available till the expiry of the specified period for that particular enterprise, even beyond the thirty-first day of March, 2022.

3. Definitions

In IT Incentive Scheme 2017, unless the context otherwise requires:

- i) “**IT**” means Information Technology.
- ii) “**ITeS**” means Information Technology Enabled Services.
- iii) “**ESDM**” means Electronic System Design and Manufacturing.
- iv) “**BPO**” means Business Process Outsourcing.
- v) “**STP**” means Software Technology Park.
- vi) “**ISO**” means International Organisation for Standardisation.
- vii) “**CCMi**” means Capability Maturity Model Integration.
- viii) “**BIS**” means Bureau of Indian Standard.
- ix) “**STQC**” means Standardisation, Testing and Quality Certification.
- x) “**EPF**” means Employees Provident Fund.
- xi) “**ESI**” means Employees State Insurance.
- xii) “**MSME**” means Micro Small and Medium Enterprise.
- xiii) “**Authorized Agent**” means the Directorate of Industries and Commerce/ Directorate of Information Technology or an agent specifically authorized by the State Government, for operation of the IT Incentive Scheme 2017.
- xiv) “**Central Government**” means Government of India.
- xv) “**Designated Authority**” means an authority designated for a particular purpose.
- xvi) “**Enterprise**” means any industrial project in

- a) Micro, Small or Medium Sector (including co-operatives and Self Help-Groups), having an Acknowledgement of Udyog Aadhar file on e-portal of Ministry of Micro, Small and Medium Enterprises, Government of India on or after the first of April 2017; or
 - b) Large-scale enterprise sector, having approval in the form of Letter of Intent, Industrial License, Industrial Entrepreneurs Memorandum (IEM) or Registration Certificate, as the case may be, under the Industries (Development and Regulation) Act, 1951 (65 of 1951); or an acknowledgement in the form of Secretariat for Industrial Approval Reference Number from Central Government.
- xvii) **“Fixed Capital Investment”** means investment made in land, building, plant and machinery/ equipments of the enterprise for commencement of commercial production on or after first day of April, 2017, but before or on thirty first day of March, 2022.
- Explanation:**
“Fixed capital Investment” shall be calculated as follows:
- a) **Land:** Actual price or premium paid for the land, freehold or leasehold, as determined by the authorized agent.
 - b) **Building:** The actual expenditure incurred for construction of the office building, factory sheds and boundary wall as necessary for the enterprise but not including residential quarters.
 - c) **Plant & Machinery / Equipment:** The fixed capital investment in plant and machinery/ equipments shall also include the cost of machinery/ equipments and installation of Generator Set, cost of drawal of high tension and low tension power lines and installation of transformer, provided that such costs have not been otherwise reimbursed by the State or Central Government. The Fixed capital investment on plant and machinery/ equipment shall be the cost of plant and machinery/ equipment as erected, but excluding the cost of any second-hand plant and machinery/ equipment.
- xviii) **“Large Enterprise”** means an enterprise other than a micro, small or medium enterprise, as defined by Central Government, from time to time; or in absence of such definitions as may be defined by the State Government.
- xix) **“Micro Enterprise”** means a very small-scale enterprise, with an investment ceiling as may be prescribed by the Government of India, from time to time; or in absence of such prescription, as may be defined by the State Government.
- xx) **“Medium Enterprise”** means a medium-scale enterprise, with an investment ceiling as may be prescribed by the Government of India, from time to time; or in absence of such prescription, as may be defined by the State Government.

- xxi) **“Small Enterprise”** means a small-scale enterprise, with an investment ceiling as may be prescribed by the Government of India from time to time; or in absence of such prescription, as may be defined by the State Government.
- xxii) **“Standard Certification”** means certification given by a competent authority, after due inspection/ testing on standard of goods produced/processed followed by the concerned enterprise.
- xxiii) **“State Government”** means the Government of Tripura.
- xxiv) **“TSECL”** means the Tripura State Electricity Corporation Limited.
- xxv) **“Tripura Value Added Tax”** or TVAT means value added tax obligations of enterprise to the State Government on its sales, under the Tripura Value Added Tax Act, 2005 (Tripura Act No. 1 of 2005).
- xxvi) **“Year”** means unless otherwise specifically Stated and not repugnant to the context, the financial year; commencing from the first day of April and ending on the thirty-first day of March following.

4. Applicability of the IT Incentive Scheme 2017

- 4.1** The IT Incentive Scheme 2017 shall be applicable to all micro, small, medium and large IT/ITeS enterprises which commence their commercial production in the State, on or after the first day of April 2017, but before or on thirty-first day of March 2022, in the private sector, co-operative sector, self-help-groups, joint sector and also companies owned or managed by the State Government.
- 4.2** Wherever an incentive under IT Incentive Scheme 2017 is being allowed to an enterprise over a period of 5 years reckoned from an appropriate date, such benefit will continue to be available till the expiry of such period for that particular incentive for that particular enterprise, even beyond the thirty-first day of March, 2022.

Provided that if a newly set up enterprise is sold or otherwise transferred to a new owner during the period of five years, the benefit of the incentive, shall be available to such transferee or the new owner, only for the un-expired portion of the said period of five years.

5. Non-applicability of the IT Incentive Scheme 2017

Unless specifically mentioned otherwise, the IT Incentive Scheme 2017 shall not be applicable to the enterprises that have commenced commercial production, prior to the first day of April 2017.

6. Eligibility for Incentives under the IT Incentive Scheme 2017

- 6.1** Any industrial enterprise to which the IT Incentive Scheme 2017 applies shall be considered for grant of incentives as per the IT Incentive Scheme 2017 only on securing an “Incentives Eligibility Certificate” in such format

and from the competent authority to be notified by the State Government. The Incentives Eligibility Certificate shall not be issued unless:

- a) The project is covered by necessary industrial approval already received in the form of industrial license or letter of intent or IEM or registration certificate, as the case may be, under the Industries (Development and Regulation) Act, 1951; or a Secretariat for Industrial Approval (SIA) reference number or an Acknowledgement for filing Udyog Aadhaar through national e-portal with the Ministry of MSME, Govt. of India;
- b) In respect of enterprises/ industries identified as compulsorily licensable or on any other restricted list as may be notified by the Central Government or the State Government from time to time, the required clearance/ licence from the notified authorities has been obtained by the enterprise.
- c) The unit has gone into commercial production.

6.2 The enterprises issued Incentives Eligibility Certificate shall be liable to submit such documents as may be required by the designated authority to enable consideration of the claims for incentives under IT Incentive Scheme 2017.

6.3 All incentives payable under IT Incentive Scheme 2017 shall be paid through the Financial Institution financing the project or in case of self-financed projects, into a bank account; the requisite account and other formal arrangements for which have to be tied up by the entrepreneurs in agreement with the concerned financial institution or bank and intimated to the Department of Industries & Commerce.

6.4 The eligibility of enterprises for incentive under any Clause of IT Incentive Scheme 2017 shall, unless otherwise be specified, be limited to the amount calculated as per the respective Clause of IT Incentive Scheme 2017 reduced by the amount of incentive subsidy or grant received by the enterprise under any operative Scheme outside the IT Incentive Scheme 2017 operated by a Ministry or Department of Government of India or its agencies/ boards/ authority, or under any Scheme operated by the North-Eastern Council, for promotion of industrial projects/ investments.

6.5 The issue of an Incentives Eligibility Certificate in favour of any enterprise shall not entitle the enterprise to claim the release of incentives under the IT Incentive Scheme 2017 as a matter of right, which shall, inter alia, be subject to the unit having submitted their claims as per the format, the procedure and within 1 year of the period to which the claim relates and further subject to the unit being in operation.

Incentives available under Tripura IT Incentive Scheme 2017 are:

7. The Capital Investment Subsidy: Capital Investment subsidy will be provided to eligible IT/ITeS enterprises at the rate of 30% on fixed capital investment in land, building, plant and machinery/equipments and IT/ITeS subject to an aggregate ceiling of Rs.60 lakhs per enterprise.

For allowing subsidy on construction expenses for boundary wall, it is proposed that no subsidy for constructing boundary wall shall be considered in case of residences located within the factory area fenced by boundary walls. Payment of subsidy shall be released in single instalment.

Wherever an IT/ITeS enterprise is eligible for Capital Investment Subsidy under any other Schemes of the State or Central Government, the amount of subsidy to be provided under this Clause shall stand reduced to the extent of subsidy entitlement under the Schemes of the State or Central Government. In case of revival of the NEIIPP Scheme of the Central Government w.e.f. 01st April, 2017 or any other scheme at any later date, the provision under the IT Incentive Scheme, 2017 shall be suitably modified, if deemed necessary.

8. Partial Reimbursement of Floor Space Rental for STP Incubation Space:

Partial reimbursement on floor space rentals shall be provided to eligible enterprises on rentals paid as follows:

- Upto 250 Sqtr Ft. : 60% reimbursement on giving direct employment to 10 nos. or more people.
- Upto 500 Sqtr Ft. : 50% reimbursement on giving direct employment to 20 nos. or more people.
- Upto 1000 Sqtr Ft. : 40% reimbursement on giving direct employment to 40 nos. or more people.
- Above 1000 Sqtr Ft. : 30% reimbursement on giving direct employment to 50 nos. or more people.

9. Procurement Preference: Notwithstanding anything contained in clause 4 and 5 of the IT Incentive Scheme 2017, Procurement Preference would be applicable to all eligible enterprises on procurement of all IT/ITeS Products/Services through tenders by State Government Agencies (including undertaking/corporation/autonomous bodies). The procurement preference clause shall operate as follows:

In cases where after comparison of the landed price of all eligible tenderers, the first lowest tenderer is an enterprise from outside the State; but the price of one or more local IT/ITeS enterprise(s) is not over 15% of the price quoted by the first lowest tenderer, the local IT/ITeS enterprise, who quoted lowest among local IT/ITeS enterprises shall be eligible to get supply order for 100% of the tendered quantity of the item being procured by the State Government.

The incentive under this clause shall be available to all the local enterprises irrespective of their date of commencement of commercial production i.e. enterprises who started commercial production prior to 1st April 2017 is also be eligible for benefit under the clause, subject to fulfillment of other eligibility conditions.

10. Industrial Promotion Subsidy^[1]: IT/ITeS entrepreneur shall receive reimbursement of **Goods and Service Tax** with an aggregating ceiling of Rs.60 lakh per annum per enterprise. The aggregating limit of entitlement of subsidy of an enterprise for 5 years under the clause shall not exceed to the 100% value of investment made in plant and machinery/equipments.

11. Partial Reimbursement of Power Charges: Eligible IT/ITeS enterprise will be given power tariff subsidy at the rate of 25% of the actual power charges paid to TSECL or an approved agency for initial 5 (Five) years subject to an upper ceiling of 12 Lakhs per annum per enterprise. Provided further that an enterprise shall not be allowed re-imburement for power charges if it is in default of payment of power charges or any other liabilities to TSECL. If an IT/ITeS enterprise installs Multiple Tariff (variable rate) Meter for recording the time of consumption of power during non-peak hours like from midnight to dawn, in that case the entire cost of the installed device shall be reimbursed.

12. Partial Reimbursement of Interest on Working Loans: Interest incentives at the rate of 4% on working capital loan availed would be provided for a period of 5 years subject to a ceiling of Rs. 3.00 lakhs per year per enterprise. The reimbursement of interest subsidy shall be further limited to the 4% of the 25% turnover of the enterprise in the reference year.

13. Re-imburement of Standard Certification charges: Reimbursement of 100% of the total cost for getting Standard certificates like ISO:9000, ISO 20000-1, ISO 27001, Software Engineering Institute (SEI) certification, CMMi and Quality Assurance Institute (QAI), STQC certification, ISO-14000 Environmental Management System, ISO-18000 Occupational Health and Safety Standards, BIS Certification, Bureau of Energy Efficiency Certificate, etc for the local IT/ITeS/ESDM units. All eligible enterprises will be allowed one-time full reimbursement of fees/ charges/ other expenses on account of obtaining a standard certification.

14. Employment Cost Subsidy: 100% re-imburement of expenditure for MSME units on account of contribution towards ESI and EPF Scheme for a period of 5 years subject to employment of 20 and more people skilled and semi-skilled workers who are domiciled of the State. 50% re-imburement for large enterprises on account of contribution towards ESI and EPF Scheme subject to employment of more than 50 skilled and semi-skilled workers who are domiciled of the State.

[1] Substituted vide Notification No.F.17(1)/DIT/Policy/2005/Vol-I/4293-96 dated 06.11.2017.

15. Subsidy for participation in fares, exhibition etc.: Reimbursement of a part of the travelling expenses and the transport cost incurred to participate in State and National levels IT trade/ industry fares and exhibitions held outside the State. For participation of fares, exhibitions etc. in Bangladesh, the benefit of reimbursement shall be provided as well. Reimbursement of expenditures on travelling charges paid for one person of the participating industrial enterprise and transportation cost (to-and-fro) of goods for display or sale @ 50% of the actual expenditures incurred and subject to an upper ceiling of Rs. 50000/- per enterprise for each participation. Reimbursement of expenses shall be further subject to a maximum participations in 2 fares, exhibitions etc. in a year.

16. Exemption of Earnest Money and Security Deposits: Notwithstanding anything contained in clause 4 and 5 of the IT Incentive Scheme 2017, Local IT/ITeS enterprises will be exempted from payment of earnest money and security deposits to participate in any tender floated by the State Government/ Agencies (including undertakings/ Corporations/Autonomous Bodies of the State Government). The incentive under the clause shall be available to all the enterprise irrespective of the time / year of their setting up, subject to fulfilment of the eligibility conditions.

17. Subsidy on fees paid for Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE): It is proposed to allow 100% reimbursement of one time guarantee fee and service fees paid every year by Micro and Small enterprises for CGTMSE coverage taken on loan granted by Banks/ NBFCs shall be provided for 5 years.

18. The developer of IT/ITeS Park will be eligible for 50% reimbursement of Stamp Duty/Registration Fee/Conversion Fee paid on sale/lease/transfer of land and office space for first transaction.

19. Bandwidth cost subsidy: Reimbursement of 30% charges on Internet Bandwidth connectivity to IT Services up to 2 Mbps paid to ISP shall be available for a period of 3 years from the date of going into commercial production/operation subject to a maximum of Rs. 5.00 Lakhs per annum.

20. Incentive for promoting local entrepreneurs in IT Services: Special Incentive (5% of eligible capital support) for units setting up BPO/ITES operations as a consortium with local entrepreneur (Domicile of the State where BPO/ITES operations are being established).

21. Special Incentive to IT Enterprise continue to operate for 5 years: Additional subsidies/ incentives shall be provided to the IT enterprises continue to operate for 5 years from the date of commencement of commercial production. Subsidies shall be provided to such IT enterprises for a further period of 5 years. The provisions for providing additional subsidy to IT enterprise after 5 years shall operate as follows:

21.1 Industrial Promotion Subsidy^[2]: Industrial promotion subsidy (re-imbursment of **GST**) shall also be allowed @ 25% of **Goods and Service Tax** actually paid by the units after 5 years of their operation. The subsidy shall be provided for a further period of 5 years subject to the condition that the aggregating payment of subsidy to any unit from the date of its commencement of production shall not exceed to the amount of 100% of investment in plant and machinery/ equipments.

21.2 Partial Re-imbursment of Power charges: Power subsidy shall also be provided @ 15% of actual power charges paid by IT/ITeS enterprises after 5 years of operation. The incentive shall be for the next 5 years and subject to an annual upper ceiling of subsidy of Rs.6 lakhs for enterprises on employment in the range of 20 to 50 persons, Rs.9.00 lakhs on employment in the range of 51 to 100 persons and Rs.12 lakhs on employment of more than 100 persons.

21.3 Employment cost subsidy: Employment cost subsidy in the form of re-imbursment of employer contribution towards payment of EPF and ESI to Regional Provident Fund Commissioner shall be provided @50% of payment made by MSME units with employment of 20 or more persons for a further period of 5 years. For large units with employment 50 or more, the employment cost subsidy shall also be re-imbursed @ 50% for a further period of 5 years.

21.4 Wages Subsidy: Wages subsidy will be provided to the IT/ITeS enterprises @ 20% of the actual wages paid on employment of 20 or more persons by them after 5 years of operation. The subsidy shall be for the next 5 years period. The upper ceiling of payment of wages subsidy shall be Rs. 2.50 lakhs per enterprise per annum.

22. Clarification and Interpretation: In case of any doubt or dispute regarding the provisions of this policy, only the State Government shall be competent to clarify or interpret these and such clarification or interpretation shall be final and binding on all concerned.

23. Power to amend and repeal any or all provisions: Notwithstanding anything contained in any of the provisions of the policy, the State Government may at any time:

- a) Make any amendment to this policy or repeal it, but the commitments already made for an eligible enterprise shall not be affected by any such amendment or repeal;
- b) Issue instructions and guidelines to facilitate implementation, to remove anomalies and to clarify the interpretations of the provisions of this policy.

24. The existing mechanism in Industries & Commerce Department, Govt. of Tripura for processing claim and disbursement of incentives shall be applicable for the Tripura IT Incentive Scheme 2017.

[2] Substituted vide Notification No.F.17(1)/DIT/Policy/2005/Vol-II/4293-96 dated 06.11.2017.

No.F.17(1)/DIT/Policy/2005/Vol-I/4293-96
Government of Tripura
Department of Industries and Commerce
(Information Technology)
Agartala-799006, Tripura

Dated, the 06th Nov.
August, 2017

Notification

Subject: Amendment of Tripura IT Incentives Scheme, 2017

As per the present provisions of providing Industrial Promotion Subsidy to industrial enterprises in the State under Tripura IT Incentive Scheme, 2017 (here-in-under referred to as 'Scheme, 2017'), subsidy is allowed in the form of re-imbusement of Tripura Value Added tax, Central Sales Tax and other Commodity taxes paid by an entrepreneur. Consequent upon the present tax reform, as being adopted throughout the country, the said taxes have been subsumed to a single tax regime and replaced by the Goods and Service Tax w.e.f. 01st July, 2017. Due to such changes in tax structure, the clause 10 and clause 21.1 of the Scheme, 2017 are required to be modified.

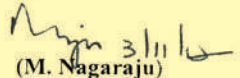
2. Accordingly, the Governor of Tripura is pleased to accord approval to the modification of the clause 10 and clause 21.1 of the Scheme, 2017, which are related to providing benefit of Industrial Promotion Subsidy to local industrial enterprises. Clause 10 and Clause 21.1 of the Scheme, 2017 shall be modified as under:

Clause-10 of the IT Incentive Scheme, 2017 shall be modified as: "IT/ITeS entrepreneur shall receive re-imbusement of **Goods and Service Tax** with an aggregating ceiling of Rs.60 lakh per annum per enterprise. The aggregating limit of entitlement of subsidy of an enterprise for 5 years under the clause shall not exceed to the 100% value of investment made in plant and machinery / equipments."

Clause-21.1 of the IT Incentive Scheme, 2017 shall be modified as: "Industrial promotion subsidy (re-imbusement of **GST**) shall also be allowed @ 25% of **Goods and Service Tax** actually paid by the units after 5 years of their operation. The subsidy shall be provided for a further period of 5 years subject to the condition that the aggregating payment of subsidy to any unit from the date of its commencement of production shall not exceed to the amount of 100% of investment in plant and machinery/ equipments.

3. The modified provisions of the Scheme shall come into effect from the date of introduction of uniform Goods and Service Tax in the country i.e., 01st July, 2017.

By order of the Governor,


(M. Nagaraju)

Principal Secretary to the
Govt. of Tripura

To

1. All the Chamber of Commerce and Industries in the State of Tripura
2. The Director, Department of I&C, Govt. of Tripura.
3. The Director, IT for uploading the same on Tripura Government website.

Copy to:

The Manager, Tripura Government Press, Printing & Stationeries, Government of Tripura – for publication of the Notification in the next issue of the Tripura Gazette.



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