



Project Profile on MS Tie Bars

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COMMERCIAL DETAILS

- HSN Code : 72149110, 72142090, 72149990, 72141090
- NIC Code : 24107, 24103, 24109
- Clusters if any : **Data not available**

- **Possibility of creation of Clusters :**

There is already presence of Automobile and General Engineering cluster. The product MS Tie Bars are utilised in various application like design of Molds and Dies, Injection Molding, Railways, Construction Technology and Automobile Industry, the scope for establishing the clusters where the activities pertaining to Automobile plastic products, Electronic products rubber / plastic products are manufactured.

- **Places where Products or project can be established:**

Chennai, Coimbatore, Bangalore, Mysore, Belgaum, Shimoga, Hyderabad, Vijayawada, Rangareddy District, Ananthpur, Aurangabad, Bhilai, Rudrapur, Jamshedpur, Durgapur, Khargpur, Pallakad, Hosdurg, Pithampur, Noida, Kanpur, Ahmedabad, Becharaji, Pimpri-Chinchwad, Mumbai, Nashik, Hosur, Faridabad, Gurugram, Pune.

- **No. of registered MSMEs manufacturing MS Tie Bars:**

The data for exclusive manufacturing of MS Tie bars could not be established as there is no NIC code for manufacturing of MS Tie Bars, as there are various products fall under the same NIC code, namely manufacturing of basic iron and steel rods, railway cross ties, component of injection molding machine etc.,

- **No. of Large Industries manufacturing the products :**

Since many products are covered under the NIC code of MS Tie Bars, the no. large enterprises manufacturing MS Tie bars could not be assessed. Many of the Large Enterprises with machine shop facility can have the manufacturing facility of MS Tie Bars.

- **Data of Imports of this product for the past three years (Source DC MSME Website)**

2017-18 – Rs. 80.897481 Crore

2018-19 – Rs. 143.928864 Crore

2019-20 – Rs. 136.944553 Crore

- **Data of Exports of this product for the last two years (Source DC MSME Website)**

2017-18 – Rs. 381.244208 Crore

2018-19 – Rs. 157.3461 Crore

- **Scope for No. of units number of years can be established further**
100 units per year

- **The demand in the Domestic Market**

Since the product is used in various applications, with the same nomenclature and the certain Tie bars are used in the manufacturing of Injection Molding Machine, Pneumatic Machines, Forging M/c, Die casting M/s etc., but with different HSN Code. At this juncture the demand cannot be assessed with the data available.

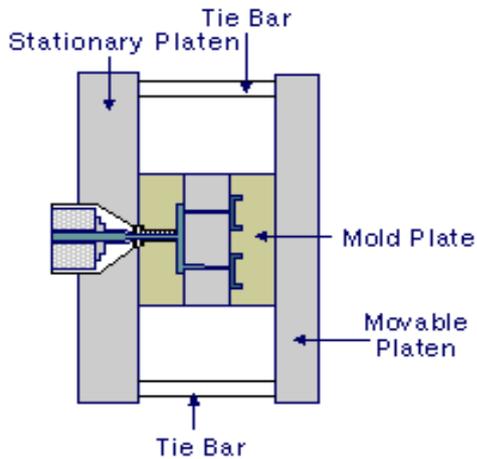
- **Demand of the export market.**

Data Not available

TECHNICAL DETAILS

- **Sector in which the product is falling**

Component of Mold and cavity, an Injection Moulding Machine, Pressing Machine, Pneumatic Machines, Pressure Die Casting, Oil field equipments, Automobile sector, Extrusion equipments and Construction Technology.



Sketch representing Tie Bar

Image of MS Tie Bar



Image of MS Tie Bar



Assembled with Mold

- **End users of the products/sectors**

Machine and Product Manufacturers of Molds and Dies, injection Moulding Machines, rubber product manufacturer, Aluminium extrusion, Pressure Die Casting etc.,

- **Governing Indian specification**

Only material specification is to be considered

- **Governing International specification**

Only material specification is to be considered

- **Flow Process Chart of the Manufacturing**

- Inward of Material
- Checking of material as per the required IS Specifications
- Cutting MS/ SS rod into required length
- Facing the material into required dia
- Removal of material using Milling M/c
- Turning operation on lathe.
- Drilling
- Surface grinding
- Polishing

- **Qualitative Parameters of the product.**

All the Necessary Dimensional accuracy to the expected tolerance has to be carried out.

- **Details of the Product Licenses to obtained**

Nil

- **Equipment required for the manufacturing of the Product**

- Lathe machine
- Milling machine
- Drilling machine
- Surface Grinder Machine
- Chamfering
- Bench Grinder
- Power Hacksaw
- Hand Tools

- **Test facilities required for the product**

- ***Dimensional Accuracy***

- Vernier caliper – 150mm to 2000mm.
 - Out side micrometer – upto 800mm.
 - Inside Micro meter – 50mm to 1000mm
 - bore dial upto 160mm.
 - Depth Micrometer upto 200mm,
 - Slip Gauge,
 - Height Gauge.

- **The technology existing the manufacturing of the product.**

- Semi-Automated and Automated

- **Suggested modern technology for implementation or available in the market.**

- Use of all the CNC Automated M/c

- **Raw Material required and availability.**

- MS Bars, Aluminium, SS Bars and Rods

- **Covering Raw materials standards India/International Standards**

- MS – IS 2062 SAE 1018
 - ALUMINIUM 6061, 6063, 6064, 6082, 5083, 5086, 5052 , 7075, 1100
ROUND BAR
 - ASTM A276 AISI 316 Stainless Steel Round Bar

PROJECT REPORT ON MANUFACTURING OF MS TIE BARS

HSN Code	: 72149110, 72142090, 72149990, 72141090
NIC Code	: 24107, 24103, 24109
Quality and Standards	MS – IS 2062 SAE 1018 ALUMINIUM 6061, 6063, 6064, 6082, 5083, 5086, 5052 , 7075, 1100 ROUND BAR ASTM A276 AISI 316 Stainless Steel Round Bar
Production Capacity	Qty. :20,000 Nos. (Per annum) Value : Rs. 95,00,000/-

Prepared By : Devaraj K, Joint Director, Br.MSME-Development Institute, Mangalore

Introduction

Tie Bars are components that support and align the platens, which then support the mold. The space between the tie-bars limits the size of the mold that can be placed in the injection molding machine. Tie bars are designed based on the specific mold design, which helps to keep intact the mold and cavity when ramming takes place.

Moreover, heavy loading at the tie bars is detrimental to the durability of processed molds and the machine itself. A measuring system is developed for recording tie-bar elongation and mold separation during injection molding at each corner of the mold. The cavity layout of generating diverse filling patterns and the distribution of cavity pressure is influential to mold separation as well as tie-bar elongation during mold filling.

Tie bars in the construction sector are deformed, epoxy coated steel bars, typically placed mid-depth across longitudinal joints or between an edge joint and a curb or shoulder. They are designed to prevent lane separation and differential deflection and reduces transverse cracks by holding the faces of abutting slabs in contact. They are also used in plain jointed concrete pavement to connect two lanes. Tie bars avoid separation and differential deflection in lanes.

Fittings of CI Sleepers using MS Tie Bars

Rails are fixed to cast iron sleepers using cotters and tie bars. MS tie bars are used for holding the two plates of CST-9 sleepers together.

TIE Rods in Automobile sector

The tie rod end is one of the most elementary parts of a steering mechanism, which has direct and crucial importance in terms of driving safety. The tie rod end is used to ensure that the wheels are aligned. It provides the adjustment for the wheel to align and keeps the tires free from wearing out on the inner as well as outer edges. Hence the functioning of the tie rod is crucial for steering as well as suspension performance of the vehicle. Today's world is competitive. Market demands the advanced technology at a lower price. This reflects in making the technology cheaper. Hence every industry determined for the cost-effective product at a lower price and within minimum period for time to market. This puts a lot of pressure on engineers to consistently strive to design the more effective products at the lower price.

Market Potential

It has been observed from the data around Rs.140 Crore worth of MS Tie bars are imported to meet the domestic demand. With wide application of the MS tie bar in various sector as mentioned above, there is great scope for setting up of the new units for manufacture of quality MS Tie Bars as per the need of each sector.

However, this project report is prepared keeping in mind the requirement in the mold and cavity manufacturing units. The units which manufacture Molds and Cavity require manufacturing of mold specific MS Tie Bars.

For arriving at the financials of the product and to study the viability, the Size of the MS Tie Bar is taken as 200mmx50mmx40mm with M25 Nut

Basis and Presumptions

1. The Project Profile has been prepared on the basis of Single shift of 8 hours each day, 25 days in a month and at 75% efficiency.
2. It is presumed that in the 1st year, the capacity utilisation will be 70% followed by 80% in the next year and 90% in the subsequent years.
3. The rates quoted in respect of salaries and wages for skilled workers and others are the minimum rates in the State/ neighboring States.
4. Interest rate for Term loan @14% and working capital has been taken @ 16% on an average, whether financed by bankers or by Financial Corporation.
5. Margin money required is minimum 25% of the project investment.
6. Building is of rented.

7. The rates quoted in respect of machines, equipment and raw materials are those prevailing at the time of preparation of the Project Profile and are likely to vary from supplier to supplier and place to place. When a tailor made project profile is prepared necessary changes are to be made.

IMPLEMENTATION SCHEDULE

Sl.No.	Activity	Period
1.	Preparation of Project Report:	
	a) Calling quotations	1 month
	b) Preparation	1 months
2.	Udhyam Registration as MSME	1 day
3.	Financial Arrangement	1 month
4.	Purchase and procurement of machines and equipments	1 months
5.	Installation of Machinery	2 week
6.	Electrification	2 week
7.	Recruitment of Staff	1 month

Technical Aspects

Process of Manufacture

The MS Tie bar component is made of MS bar or rod based on the specification of the mold. The Tie bar is manufactured by carrying out the operations of Inward of Material, Checking of material as per the required IS Specifications, Cutting MS/ SS rod into required length, Facing the material into required dimension, rough Milling, finish milling, Turning operation, Surface grinding, drilling/tapping, chamfering and Buffing .

Quality Control and Standards

The Indian Standard Specification No. IS 2062 SAE 1018 for MS Bars. The manufacturer should have arrangement to carry out the important tests in the factory premises.

Production Capacity (per annum)

Quantity(per annum)	Value (Rs.)
20,000 No.	95,00,000/-
Motive Power	25 KW.

POLLUTION CONTROL

There will not be much pollution in the Machine shop. However, the cutting fluids and lubricants are collected in a tank and disposed off. The chips are separated from the cutting fluid and collected and disposed off as per the pollution control norms.

Energy Conservation

All the machines are to be provided with separate electric motors to avoid idle running. Shunt capacitors will be installed to improve the power factor. Adequate day light provisions are to be made in the factory shed by providing transparent roof sheets.

Financial Aspects

A Fixed Capital

(i) Land and Building (per month)	(In Laks)
Total Built up Area & covered area: 3000 Sq.ft Store and office ,Working shed , Machine shop .etc – Rented	0.30
Total	0.30

(ii) Machinery and Equipment

Sl. No.	Description	Qty	Rate	Total (In Rs.)
1.	CNC 3 axis Milling Machine with Spindle Speed 120-8000 rpm, with feed rate of 10000 mm/min complete with standard accessories.	1	12,00,000	12,00,000
2.	CNC Lathe with swing over bed of 500 mm, and swing carriage of 260 mm complete with standard accessories.	1	13,50,000	13,50,000
3	Surface Grinder of 8" x 15".	1	3,50,000	3,50,000
4.	Power Hacksaw	1	30,000	30,000

5	Drilling machine bench type 25 mm cap. 1HP,complete with standard accessories, electric motor, switch, starter etc.	1	1,50,000	1,50,000
6.	Double ended bench grinder 200 mm wheel dia motorised ,2HP	1	5,500	5,500
7	Bench Vice	2	3,000	6,000
8.	Vernier Scale	2	3,000	6,000
9.	Outside Micrometer	2	3,000	6,000
10.	Inside Micrometer	2	4,000	8,000
11.	Bore Dial Gauge	2	2,500	5,000
12.	Height Gauge	2	13,000	26,000
13.	Slip Gauge box	1	80,000	80,000
14.	Steel Scale	2	500	1,000
15.	Tools and fixtures	1 Set	1,00,000	1,00,000
			Total	33,23,500
Electrification, Material Handling and Installation Charges including cost of power connection and security deposit.				1,60,000
Cost of Office Equipment, Furniture etc.				1,50,000
Computers				85,000
Generator set (for electricity backup)				6,00,000
Advances				2,00,000
(iii) Pre-operative Expenses				40,000
Total Fixed Capital (i + ii + iii)				45,58,500

B. Working Capital (per month)

(i) Personnel

Sl.No	Designation	Qty	Salary (Rs.)	Amount(Rs.)
(1)	Engineer/Manager	1	25,000	25,000
(2)	Foreman/Supervisor	1	22,000	22,000
(3)	Skilled Workers	3	18,000	54,000
(4)	Semi-Skilled Workers	4	12,000	48,000
(5)	Un-skilled Workers	2	8,000	16,000
(6)	Accountants	1	12,000	12,000
(7)	Computer operators	1	10,000	10,000
(8)	Watchman	3	8,000	24,000
Total				2,11,000

(ii) Raw Material (per month)

Sl. No.	Particulars	Qty. Kg.	Rate/ Kg.(Rs.)	Total (Rs.)
1.	MS Bars	5,700	60	3,42,000
	Total			3,42,000

(iii) Utilities	(Rs.)
Power	22,000
Water	1,000
Total	23,000

(iv) Other Contingent Expenses (per month)	(Rs.)
i. Rent	30,000
ii. Postage and Stationery	500
iii. Transport Charges	5,000
iv. Repair and Maintenance	1,000
v. Consumables like cotton waste and cleaning agents etc.	5,000
vi. Advertisement and Publicity & marketing	7,500
vii. Insurance	5,000
vii. Miscellaneous/sales Expenses	5,000
ix. Diesel	5,000
Total	64,000
(v) Total Recurring Expenses	(Rs.)
1. Raw Material (@70% of Rs,3,42,00)	2,39,400
2. Personnel	2,11,000
3. Utilities	23,000
4. Other contingent expenses	64,000
Total	5,37,400

C. Total Capital Investment

(1) Fixed Capital	45,58,500
(2) Working Capital (for 3 months)	16,12,200
Total	61,60,700

Machinery Utilisation :-All the machines will be fully utilized. There won't be any idle capacity.

Financial Analysis

(1) Cost of Production (per year)	(In Rs.)
1. Total recurring cost	64,48,800
2. Depreciation on machinery and equipments @ 20%	8,05,700
3. Interest on Borrowings @14% for Term Loan and 16% on Working Capital	5,52,238
Total	78,06,738

(2) Turn-over (per year)

Sl. No.	Item	Qty. Nos.	Rate (Rs.)	Total (In Rs.)
1.	MS Tie Bars	20160	475	95,76,000
			Total	95,76,000

PRODUCTION COST AND PROFITABILITY STATEMENT						
Details	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Production Cost						
Raw materials	2872800	3283200	3693600	4104000	4104000	4104000
Salary & Wages	2532000	2785200	3063720	3370092	3707101	4077811
Utilities	276000	306600	333960	367356	404092	444501
Overheads	768000	844800	926280	1022208	1124429	1236872
Interest	552238	4677023	381808	296593	200865	105139
Depreciation	805700	805700	805700	805700	805700	805700
Total	7806738	8489523	9208068	9965949	10346186	10774020
Sales Return	9576000	11520000	13608000	15840000	17280000	18000000
Less Production Cost	7806738	8489523	9208068	9965949	10346186	10774020
Profit Before Taxes	1769262	3030477	4399932	5874051	6933814	7225980
Less Taxes @18%	318467	545486	791988	1057329	1248087	1300676
Profit after Tax	1450795	2484991	3607944	4816722	5685727	5925304
Add Depreciation	805700	805700	805700	805700	805700	805700
Net Surplus	2256495	3290691	4413644	5622422	6491427	6731004
Less Loan Repayment	683775	683775	683775	683775	683775	
Gross Profit	1572720	2606916	32739869	4938647	5807652	6731004

3. Net Profit per year before income tax =15,72,270

4. Net profit Ratio = Net profit x 100 / Turnover per year

$$= 15,72,270 \times 100 / 95,76,000$$

$$= 16.4\%$$

5. Rate of Return = Net profit x 100 / Total Investment

$$= 15,72,270 \times 100 / 61,70,700$$

$$\text{ROI} = 25.48\%$$

(6) Break-even Point

Fixed Cost (per year)	(In Rs.)
1. Total Depreciation on Machinery, tools & office equipments etc	8,05,700
2. Rent	3,60,000
3. Total interest	5,52,238
4. 40% of salary and wages	10,12,800
5. 40% of other contingent expenses	3,07,200
Total	30,37,938

$$\text{BEP} = \frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}}$$

$$= \frac{30,37,938 \times 100}{30,37,938 + 15,72,270}$$

$$\text{BEP} = 65.89\%$$

ADDRESS OF PLANT AND MACHINERY

1. GUJARAT LATHE MANUFACTURING CO. PVT. LTD.

Address: A-603, Mittal Tower, A-Wing, Mahatma Gandhi Road, Mahatma Gandhi Road, Bengaluru, Karnataka 560001.

2. JYOTI CNC AUTOMATION LTD

i. **Address:** 36th Cross Road, 10th Main Rd, Rajajinagar, Bengaluru, Karnataka 560010.

ii. G-506 @2839, Lodhika, GIDC, Cill Metoda, Dist: Rajkot -360 021 (India) Phone : +91 – 2827-235100/235101, Fax : _91-2827-235141/235161 E-Mail :info@jyothi.co.in

3. DMG MORI India Pvt. Ltd.

Address 3/1, 3rd Main, KIADB, Peenya 1st Stage
IN-560058, Ward1, HMT, Bangalore, India
Phone: +91 80 40 89 65 00
Fax: +91 80 40 89 65 18 / +91 80 41 13 12 85
Service Hotline: 1800 103 6467 (Service & Spares)
e-mail: Service.India@dmgmori.com

4. Micromatic Machine Tools Pvt. Ltd.

Address: plot no 240, 3rd Stage, 241, 11th Main Rd, Yeshwanthpur Suburb II Stage, Yesvanpur Surburb, Peenya, Bengaluru, Karnataka 560058

5. Bharat Fritz Werner

Off Tumkur Road, Bangalore - 560022

6. HMT Machine Tools Limited

59, Bellary Road
Bangalore - 560 032
Karnataka, INDIA

Phone : +91-80-2333 0333, Fax: 91-80-2333 7800,

Email: gmm@hmtmachinetools.com

7. Lakshmi Machine Works Limited

Machine Tool Division
Arasur, Coimbatore - 641 407
Tamil Nadu, India.

Phone: +91 422 719 1387,1388, 1389, 1397, E-Mail: info@lmwcnc.com

8. Jinagoudra Machine Tools Private Limited

Address: Dharwad Hubli Main Road, Sattur Colony, Dharwad, Karnataka 580009

9. Alex Machine Tools:

Surface Grinding Machine Manufacturer

Address: 8, Gaiwadi Industrial Estate, Swami Vivekananda Rd, Goregaon West, Mumbai, Maharashtra 400062

10. Microtek Grinding Machines Pvt Ltd

Address: Sb-57, 2nd Cross Rd, Peenya 1st Stage, Netaji Nagar, Peenya, Bengaluru, Karnataka 560058

11. R.S.MACHINE TOOL SERVICES

Address: State India, #M132, Rajajinagar Industrial Estate, Rajajinagar, Bangalore - 560010, 4th Cross Rd, Rajaji Nagar Industrial Town, Rajajinagar, Bengaluru, Karnataka 560023

12. Prayosha Enterprise

Surface Grinding Machine, Hydraulic Surface Grinders

Address: Near, A146/147 Swarnim Industrial Park, Kast Bhanjan Way Bridge Dhamatvan Road, Bakrol, Gujarat 382435

13. HM Grinders India

(Surface Grinder machine)

Address: HM Grinders india, Amritsar-Tarn Taran Rd, Kot Mit Singh, Gurwali, Amritsar, Punjab 143022

14. Guru Arjan Machine Tools

Surface Grinder Manufacturer

Address: Northern Indian Complex, PLOT NO. 8-C, 20/3, Mathura Rd, Faridabad, Haryana 121006

15. YOGI MACHINE TOOLS

Radial Drilling Machine

Survey No 46 Vavdi Industrial Area Vavdi Main Road, 150 Feet Ring Rd, nr. Samrat Hydraulic, nr. Punitnagar, Rajkot, Gujarat 360004

16. Prakash Engitech Pvt. Ltd.

Address: Rd C, Metoda, Gujarat 360021

17. EIFCO MACHINE TOOLS (P) LTD.

Address: No. 50, Vadakku Thotta Paguthi, SF 815, Idikarai, 641022

18. SIDDHAPURA MACHINES

Address: C-1B/258, Aji GIDC Phase-2, Road R, Gujarat 360003

19. Santoshi Machine Tools,

Address: shop, Gondal Rd, Near s.t.Work, Samrat Industrial Area, Rajkot, Gujarat 360004

SCHEMES AND CONSULTANCY SERVICES

Credit Guarantee Scheme and Guidelines

CREDIT GUARANTEE SCHEME (Ministry of MSME, Govt of India)

OBJECTIVES:

The Credit Guarantee Scheme for Micro and Small Enterprises (CGS) was launched by the Government of India (GoI) to make available collateral-free credit to the micro and small enterprise sector. Both the existing and the new enterprises are eligible to be covered under the scheme. The Ministry of Micro, Small and Medium Enterprises, GoI and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the Credit Guarantee Scheme for Micro and Small Enterprises.

ELIGIBILITY/ APPLICABILITY:

New as well as existing Micro & Small Enterprises. Guarantee coverage ranges from 85% (Micro Enterprise up to Rs 5 lakh) to 75% (others). 50% coverage is for Retail Activity

NATURE OF ASSISTANCE :

The credit facilities which are eligible to be covered both term loans and/or working capital for collateral free loan up to a limit of Rs. 200 lakh is available for individual MSE on payment of guarantee fee to bank by the MSE.

(Source : www.dcmsme.gov.in)

Industrial Policy of Government of Karnataka

SC/ST entrepreneurs will be encouraged in the establishment of enterprises and capacity building in entrepreneurship.

The existing support under the Special Component Plan / Tribal Sub Plan Package includes the following components:

KIADB and KSSIDC to allot land / shed (A or B) at 75 percent subsidized cost or maximum of INR 200 lakh whichever is less in all zones. The concessional allotment of land / shed will be available to a. 46 domicile SC/ST entrepreneurs only subject to a maximum of 2 acres / one shed (A or B) per family and subsequent allotments will be on prevailing rates of KIADB / KSSIDC. To avoid misuse of SCP / TSP funds, such land/shed (A or B) shall not be alienated for a period of 10 years from the date of execution of lease cum sale agreement. All other terms and conditions are as per Government Order No. CI 76 SSI 2019 dated 28/05/2020.

90 per cent subsidy on the cost of KSSIDC 'D' and 'C' type sheds constructed and allotted to SC/ST entrepreneurs for Micro and Small Enterprises.

60 per cent subsidy limited to INR 5.00 lakh on bank loans availed by SC/ST entrepreneurs through financial institutions/banks/co-operative and rural regional banks (excluding co-operative financial associations) for setting up cottage and micro enterprises.

Soft Seed Capital Assistance: Modernization/Technical Training: 3-6 month sector-specific skill development training to 10th pass/failed SC/ST youth in Government Training institutions established/sponsored by Government.

Financial assistance to SC/ST entrepreneur at 50 per cent of the cost of establishment of Private industrial Estates limited to INR 5.00 crore on a minimum 10 acres of land.

Reimbursement of the loan processing fee, legal fee, loan disbursement fee, etc. charged by KSFC and other banks on the loans availed for the first time by

SC/ST entrepreneurs to establish Micro and Small Enterprises after 01-04-2017
Subsidy on power charges for the first 5 years @ INR 2.00 per unit to SC/ST
owned new Enterprises working from 01-04-2017 onwards.

Incentives and Concessions for MSMEs

To keep the momentum of growth and to encourage holistic development of MSMEs, the State Government will provide the following incentives and concessions.

Type of Support	General Category	Special Category (SC/ST, Women, Minorities, Physically Challenged and Ex- Servicemen Entrepreneurs)
Investment Promotion Subsidy for Micro & Small Enterprises	<p>a) Micro Enterprises</p> <p>Zone 1 : 30% of VFA (max of INR. 25 lakh) Zone 2 : 25% of VFA (max of INR. 20 lakh) Zone 3 : NIL</p> <p>b) Small Enterprises</p> <p>Zone 1 : 25% of VFA (max of INR. 100 lakh) Zone 2 : 20% of VFA (max of INR. 90 lakh) Zone 3 : NIL</p> <p>VFA - Value of Fixed Assets</p>	<p>a) Micro Enterprises</p> <p>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)</p> <p>b) Small Enterprises</p> <p>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)</p> <p>VFA - Value of Fixed Assets <i>The additional subsidy of 5% of VFA in Zone 1 and 2 is subject to maximum of INR 5 lakh</i></p>
	<p>Note: 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.</p>	

Exemption from Stamp Duty for MSMEs	Exemption from stamp duty and concessional registration charges:	
	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/ Gol and other approved industrial parks shall be exempted as below:	
	Zone 1 : 100% Zone 2 : 100% Zone 3 : NIL	Zone 1 : 100% Zone 2 : 100% Zone 3 : 75%
Concessional Registration Charges for MSMEs	Zone 1, Zone 2: INR 1/- per INR 1,000/- Zone 3 : Nil	All Zones: INR 1/- per INR 1,000/-
	<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>ii. <i>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	For Zone 1 & 2 only Reimbursement of cost of power paid at INR 1.00/- per unit consumed for a period of 3 years.	

Technology Adoption & Innovation for MSMEs		
	General Category	Special Category (SC/ST, Women, Minorities, Physically Challenged & Ex-Servicemen Entrepreneurs)
Interest Subsidy on Technology Up-gradation Loan	Zone 1 : 5% for 6 years * Zone 2 : 5% for 5 years * Zone 3 : 5% for 5 years * <i>* on loans availed from KSFC & 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>
Technology Adoption	For All Zones 25% of cost (max. INR 50,000/-) for adopting technology from recognized national laboratories as stated in Annexure 8.	For All Zones 50% of cost (max. INR 1,00,000/-) for adopting technology from recognized national laboratories as stated in Annexure 8.
Technology Business Incubation Centre (TBIC)	For All Zones 25% of the cost of incubation centre (max. INR 50.00 lakh) (Minimum 1 TBIC in Zone 1)	For All Zones 50% of the cost of incubation centre (max. INR 60.00 lakh) (Minimum 1 TBIC in Zone 1)
Incentives for Quality Certification	For All Zones 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.	For All Zones 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.
	WEConnect certification for Women owned Business Enterprises (WBEs) 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/-	

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

(Source : Karnataka Industrial Policy 2020-25)

The Govt of Andhra Pradesh in their Industrial Policy have announced lots of Incentives and Concessions for MSMEs to encourage entrepreneurship in their State by providing reimbursement of 100% stamp duty and Transfer duty paid by the Industry on purchase of Land meant for Industrial use.

To encourage Promotion of Entrepreneurship among Special Categories following benefits are extended:

- a. 100% reimbursement of stamp duty and transfer duty paid by the industry on purchase of land meant for individual use.
- b. 100% reimbursement of stamp duty for lease of land/shed/building and mortgages and hypothecations.
- c. 50% rebate in land cost limited to 20 lakhs in industrial Estates/Industrial park for MSEs.
- d. 25% land conversion charges for the industrial use limited to 10 lakhs for MSEs.
- e. Fixed Power cost reimbursement @1.25 per unit for 3 years from the date of commencement of commercial production.
- f. 35% Investment subsidy on fixed capital investment limited to Rs.50 lakhs for MSEs. The subsidy will be released only after 3 years of contious operation with atleast 80% efficiency in all parameters ie., employment, production etc.,
- g. Interest subsidy of 3% on the term loan taken on the fixed capital investment for a period of 5 years from the date of commencement of commercial production for MSEs.
- h. Reimbursement of 100% net SGST to Micro, Small Enterprises for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- i. Reimbursement of 75% net SGST to Micro, Small Enterprises for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.

(Source : Govt of Andhrapradesh Industrial Policy)

The Govt of Telangana in their Industrial Policy have given special focus on MSMEs by making special provisions like

- Special fund for addressing Incipient Sickness.
- Special fund for Technology Transfer and modernization to MSME sector.
- A special direct funding program for financing SC/ST entrepreneurs will be worked out to utilize the money available under the respective Sub-Plans.
- Payment of Margin Money on behalf of the SC/ST entrepreneurs by the government.
- Intensive Entrepreneur and Skill Development programmes.
- Interest subsidy for service sector units (except transport sector).

The State Government has considered providing incentives to the entrepreneurs in the following areas under its T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) incentive scheme:

- Stamp duty reimbursement.
- Power cost reimbursement
- Investment subsidy
- VAT reimbursement
- Interest subsidy
- Seed capital for 1st generation entrepreneur
- Training and skill development cost reimbursement
- Clean production measures

(Source : Govt of Telangana Industrial Policy)

INDUSTRIAL POLICY OF GOVERNMENT OF MAHARASHTRA

Fiscal Incentives to MSMEs - Maharashtra state offers most attractive fiscal incentive in the country.

1. For the purpose of this policy, MSME shall include units as per the definition of Government of India- Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, as well as the small industries with FCI of upto INR 50 crore.
2. A basket of incentives, their aggregate amount not exceeding a specified ceiling will be offered to eligible MSME units:

Eligibility Criteria to MSME

Taluka / Area Classification	Maximum Admissible Fixed Capital Investment (INR Crore)	Ceiling as % of FCI	Eligibility Period
A	For the Purpose of this policy, MSME shall include units as per the MSMED Act 2006 as well as the units with FCI up to INR 50 Crore	-	-
B		30%	7
C		40%	7
D		50%	10
D+		60%	10
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, & Dhule		80%	10
No Industry Districts, Naxalism affected areas* and Aspirational Districts**		100%	10
*Naxalism affected area as per Government Resolution No.: PSI-2013/CR-54)/IND- 8 Dated: 1 st April 2013 issued by Government of Maharashtra Industries, Energy and Labour Department			
** Aspirational Districts are Osmanabad, Gadchiroli, Washim and Nandurbar			

3. In areas other than A area, Interest subsidy @ 5 per cent p.a., maximum upto the value of electricity consumed and bills paid for that year, will be admissible.
4. Eligible Micro, Small & Medium enterprises & Small Industries as defined above shall be offered Investment Promotion Subsidy (IPS) on Gross SGST paid by the unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra.

(Source : Govt of Maharashtra Industrial Policy)

DETAILS OF AGENCIES WHO CAN PROVIDE GUIDANCE

- Process & Product Development Centre (PPDC), Agra
- Indo German Tool Room (IGTR), Ahmedabad
- Indo German Tool Room (IGTR), Aurangabad
- Central Tool Room & Training Centre (CTTC), Bhubaneswar
- Tool Room & Training Centre (TRTC), Guwahati
- Central Institute of Tool Design (CITD), Hyderabad
- Indo German Tool Room (IGTR), Indore
- Indo Danish Tool Room (IDTR), Jamshedpur
- Central Tool Room & Training Centre (CTTC), Kolkata
- Central Tool Room (CTR), Ludhiana
- Govt Tool Room and Training Centre (GTTC), Bangalore, Mysore
- IMTMA, Bangalore
- CMTI, Bangalore
- COINDIA Modern Tool Room, Coimbatore
- NTTF, Karnataka
- NTTF, Kerala
- SIDCO, Kozhikhode