

The State Capital Investment Subsidy Scheme for New Industries, 1990

RAJASTHAN

India

The State Capital Investment Subsidy Scheme for New Industries, 1990

Rule

THE-STATE-CAPITAL-INVESTMENT-SUBSIDY-SCHEME-FOR-NEW-INDUSTRIES-1990

of 1990

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The State Capital Investment Subsidy Scheme for New Industries, 1990Published vide Notification No S.O. 61 dated 5-9-1990, Gazette Part 4-C, dated 7-5-1992, page 50S.O. 61 dated 5-9-1990. - With a view to accelerate the pace of industrial development in the State Government of Rajasthan is please to introduce the following scheme.

1. Title.

- The scheme shall be known as the "State Capital Investment Subsidy Scheme for New Industries, 1990"

2. Operative period.

- This scheme shall come into operation with effect from 1st April, 1990 and shall remain in force upto 31st March, 1995.

3. Applicability of the scheme.

- This scheme will be applicable in (a) the whole of the State of Rajasthan for the new and eligible Industrial units in Electronics and Telecommunication and (b) the whole of the State of Rajasthan except in the areas falling under Municipal limits or urban improvement limits of the cities of Ajmer. Alwar, Bhilwara. Jodhpur and Udaipur and urban agglomeration limits of Jaipur and Kota for other and eligible Industrial units.

4. Definitions.

(a)"DIC" means the District Industries Centre.(b)"Diversification" means launching of a new product line under the same company, firm or partnership provided that the total fixed capital investment in such a diversification exceeds at least 25% of the value of the net fixed assets of the original project.(c)Eligible fixed capital investment means investment in :-- the actual price paid for the land to the extent needed.- New building to the extent needed.- New plant and machinery.- Technical know how fees or drawing fees paid in lump sum to foreign collaborators or foreign suppliers as approved by the Government of India or paid to laboratories recognised by the State Government or the Government of India.Note. - (i) Working capital (whether raised through Banks or otherwise and including working capital margin goodwill fees, engineering fees, commissioning fees, commissioning expenses, expenditure on trucks, cars, vans, trailers, tractors and transport vehicles and catalysts will not be considered as eligible fixed capital investment for the purpose of this scheme. Plant and machinery used or installed any where and shifted, purchased, leased, hired,licensed or transferred in any manner will not be considered as fixed capital investment eligible for subsidy.(ii)Any investment in land and building which is in excess of fifteen percent (15%) of the total fixed capital investment will not be eligible for subsidy under this scheme.(d)"Eligible Industrial Unit" means an undertaking engaged or proposed to be engaged in the manufacture of items/articles listed in Annexure 'A' to this notification, except those which are declared ineligible under Annexure 'B' to this notification.(e)"Expansion" means increase in the value of fixed capital Investment by not less than 25% of the net fixed assets of the existing project, and accompanied by an increase in production to the extent of at least 25% of the original installed capacity.Note.- "Installed Capacity" means (i) as mentioned in the letter of Intent or Registration or License issued by the Government of India and (ii) in all other cases the Installed Capacity as determined by the Director of Industries, Rajasthan.(f)"Export Oriented Unit" means an Industrial unit set up for the purpose of exporting its products as defined in the Import Export Policy of the Government of India for time to time and duly approved or registered as such by the competent authority.(g)"Ineligible Industries" means the industries listed in Annexure 'B' to this notification.(h)"New Industrial Units" means an industrial unit set up during the operative period of this scheme. The industrial unit will be deemed to have been set up during the inoperative period of the scheme, if it commences commercial production on or after 1-4-1990 and is found eligible under this scheme. Date of commencement of the commercial production will be the 61st day after the day on which the raw material is, for the first time, put in the process of production including trial production.(i)"Non Resident Indian" would have the same meaning as contained in the definition given by the Government of India from time to time.(j)"RFC" means the Rajasthan Financial Corporation.(k)"RIICO" means the Rajasthan State Industrial Development and Investment Corporation Limited.(l)SSI/Medium/Large Scale units would have the same meaning as contained in the definitions given by the Government of India from time to time.

5.

New and eligible industrial units set up in the areas as mentioned in clause (3) of this scheme will be eligible for capital investment subsidy at the following rates :

- (a) For Large and Medium scale Industrial units: 15% of the eligible Fixed Capital Investment or Rupees FifteenLacs, whichever is less.
- (b) For
- (i) Small Scale Industrial units: 20% of the eligible Fixed Capital Investment or Rupees 20Lacs, whichever
- (ii) Industrial units set up byNRI: is less Provided that the subsidy for resource based
- (iii) 100% Export orientedIndustrial units: Industrial units will be available to the selected NewIndustrial Units in the areas as notified from time to time bythe Government of Rajasthan in the Industries Department.
- (iv) Industrial units based onresources available in the State:
- (c) Labour Intensive new and eligible industrial units willbe' entitled for an additional subsidy at the rate of 2% of theeligible fixed capital investment or Rs. 2 Lacs whichever isless: Provided that the unit is registered under the FactoriesAct, 1948 and the ratio of fixed capital to employees is lessthan or equal to Rs. 35,000/-.

6.

Expansion and diversification of eligible industrial units will be entitled to the subsidy at the rates mentioned in Clause 5 of this notification.

7.

Modernisation, renovation, rehabilitation or rationalisation of industrial units, replacement of plant and machinery and other assets, or Were change of product mix will not be eligible for subsidy under this scheme unless diversification or expansion is taken up as defined under clause 4 (b) and (e).

8.

Ineligible industries listed in Annexure "B" to this notification will not be eligible for cash subsidy under this scheme. Government reserves the right to revise this list from time to time and add to or delete any item from this list of industries.

9.

Those industrial units which have been sanctioned subsidy under any other capital investment subsidy scheme will not be eligible for subsidy under this scheme. Expansion or diversification as defined in this scheme and undertaken by the existing unit during the operative period of this scheme in the eligible areas will be entitled for subsidy under this scheme.

10.

If at any time the Central Government Capital Investment subsidy scheme is applicable, the State Capital Investment subsidy will be equal to the difference of Capital investment subsidy proposed in this scheme and that given by the Government of India.

11.

The Capital Investment subsidy will be sanctioned by a District Level Committee in case of a Small Scale Industrial unit [having eligible fixed capital investments below Rs. 25.00 lacs] [Inserted by Notification dated 4-1-1991, Rajasthan Gazeted Part 4-C, dated 2-5-1991, page 24.] and a State Level Committee [in all other cases] [Substituted by Notification dated 4-1-1991 Rajasthan Gazeted Part 4-C, dated 2-5-1991, page 24.](i)The State Level Committee will consist of the following:-

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|--|----------|
| (a) Secretary to the Government Industries Department. | Chairman |
| (b) Chairman-cum-Managing Director RIICO, or his representative not below the rank of an Executive Director. | Member |
| (c) Chairman-cum-Managing Director RFC or his representative not below the rank of an Executive Director | Member |
| (d) Secretary to the Government Finance Department or his representative not below the rank of a Deputy Secretary. | Member |
| (e) Director Industries-Secretary | Member |

(ii)The District Level Committee will consist of the following:-

- | | |
|-------------------------------|------------------|
| (a) Collector of the District | Chairman |
| (b) Representative of RFC | Member |
| (c) Treasury Officer | Member |
| (d) General Manager, DIC | Member Secretary |

12.

The subsidy may be sanctioned as per the approved project report but disbursement will be in proportion to the assets created. The disbursement of subsidy will commence after fixed assets to the extent of at least 50% have been created. First advance subsidy installment can be claimed after creation of 50% assets and second installment after creation of 75% assets. In this Manner advance subsidy up to 75% of the sanctioned amount may be disbursed. The remaining 25% may be disbursed only after the unit commences production. If the unit fails to commence commercial

production within two years after receiving 75% of the subsidy, the amount of subsidy will be liable to be recovered as arrears of land revenue. [The Disbursement of subsidy will be made by the RIICO or RFC, as the case may be, to the units assisted by them. In case of self financed units or the unit financed by the Banks or Central Financial Institutions, disbursement of subsidy will be made by the Director of Industries/District Industries Centres, as the case maybe.] [Substituted by Notification dated 4-1-1991, Rajasthan Gazeted Part 4-C, dated 2-5-1991, page 24.]

13. Procedure for claiming subsidy.

- The detailed procedure for sanctioning, disbursement and claiming of investment subsidy under this scheme will be issued separately by the government of Rajasthan in the Industries Department.

14.

The cash subsidy sanctioned and disbursed under this scheme will be subject to the following conditions. Breach of any of those conditions will make the subsidy liable to be recovered as arrears of land revenue along with interest @ 15% per annum.(a)The industrial unit availing of subsidy under this scheme shall install and effectively operate and maintain pollution control measures as per the standards prescribed and schemes approved by the competent authority, viz. Rajasthan State Pollution Control Board.(b)The industrial unit will remain in production continuously for at least five years after it is commissioned except in cases when it remains out of production for short periods extending upto 6 months due to reasons beyond its control such as shortage of raw material, power etc.(c)The industrial unit availing of subsidy under this scheme will follow and maintain any other condition laid down by this scheme or by the procedure, instructions, clarifications or amendments issued under this scheme.

15.

The scheme shall be administered and implemented by the Government of Rajasthan in the Industrial Department.

16.

The subsidy under this scheme is eligible subject to the provisions of procedure, guidelines and clarification as may be stipulated from time to time.

17.

Where any matter arises for the purpose of interpretation or in cases where any suggestions are made in regard to implementation of the scheme, such matters shall be referred to the Government of Rajasthan in the Industries Department whose decision shall be final in all such matters. Annexure 'A' Industries eligible for the State capital investment Subsidy I. Industries covered under the Industries (Development and Regulation) Act, 1951 as amended from time to time,

requiring letter of intent/registration/licence.II. Small Scale Industries as defined in the Industries (Development and Regulation) Act, 1951, as amended from time to time and provisionally/Permanently registered with the Directorate of Industries.Annexure 'B'List of industries not eligible for the State Capital Investment Subsidy

- 1. Flour and Spice mills other than roller flour mills if installed in a town with a population of 25,000 or more as per the 1981 census.**
- 2. Manufacture of Ice, Ice-cream, Kulfi, Ice-candy, Ice-fruits. Sweetmeats and Aerated water.**
- 3. Fertilizer mixing.**
- 4. Tailoring.**
- 5. Repacking of any goods including Drugs, Medicines, Toiletries, Pesticides, Herbicides, Edible-products and Chemicals.**
- 6. Production of fire wood and charcoal.**
- 7. Saw Mills, Wooden furniture items and industry based on wood as main raw material.**
- 8. Dairy milk powder and other milk products except the units set up in the cooperative sector.**
- 9. Units distilling, storing, bottling, blending or brewing liquor/alcohol.**
- 10. Ordinary bricks and lime kilns except bricks made of fly ash.**
- 11. Textile dyeing and printing.**
- 12. Photographic studios.**
- 13. Laundry.**
- 14. Preparation of Bread, Biscuits and Bakery products other than by mechanised bakery.**

15. Restaurants and Catering or eating places.

16. Power intensive unit where total power requirement exceeds 2500 KVA of contract load and where cost of power is more than 25% of cost of production of the items of manufacture.

17. Service units except the following:-

(i)Electro-plating units.(ii)Refining/reprocessing of used lubricants and used engine/machine oils.(iii)Heat treatment/surface treatment units.(iv)Test Houses.

18. Cotton ginning and pressing industry

19. Public undertakings of the State or the Central Government.

(No. F.12 (14)/IND/I/90)Notifications[No.F. 12(29) Ind/1 /91 dated February 1, 1992.]S.O. 275:-In pursuance of clause 5 of the State Capital Investment Subsidy Scheme for New Industries, 1990 issued vide Industries (Gr I) Department Notification No. F. 12 (14) Ind./1/90 dated the 5th Se Part, 1990, the State Government hereby declares the industries based on following resources available in the State as "Resource based Industries". -

1. Marble based Industries.

2. Granite based Industries, if it is an integrated composite project and 75% of the raw material based on local resources, is used.

3. Industries based on limestone.

4. Wool based Industries provided out of the total requirement of raw material, 75% of the local wool is used.

5. Ceramics, Crockery, glazed Tiles.

6. Salt based industries.

7. Gypsum, Rockphosphate, Pyrites. Soapstone, Graphite, Kota-stone and Silica sand based industries.

8. Oil Seeds (Mustard, Soyabeen, Linseed, Rapseed) based Industries.

9. Leather Tanning.

This order shall come into force from the date of coming into operation of the scheme.[Published in Rajasthan Gazette Part IV-C (II) Extraordinary, dated 5-2-1992. page 385(2)]