

**GOVERNMENT OF RAJASTHAN
FINANCE DEPARTMENT
(TAX DIVISION)**

ORDER

No. F. 4(77)FD/Tax/2004-58

Jaipur, dated 07-10 - 2011

Subject :- Special Incentive Package for Ceramic and Glass Sector - 2011

The State Government hereby orders the following Special Incentive Package hereinafter referred to as "the package" under sub-clause (c) of clause 15 of Rajasthan Investment Promotion Scheme – 2010 (hereinafter referred to as RIPS-2010) for establishment of new enterprise(s) and/or new investment made by the existing enterprise(s) in glass and/or ceramic industries in Rajasthan.

1. Operative Period

The package shall come into effect from the date of issuance of RIPS-2010 i.e. 25-08-2010 and shall remain in force up to 31-03-2018.

2. Definitions -

(1) For the purpose of the package, the expressions mentioned hereunder shall have the meaning as explained against them:-

A. "Commencement of Commercial Production" means-

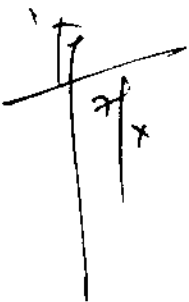
For new enterprise, the date on which the enterprise issues the first sale bill of the goods manufactured by it in the State related to the investment made under the Package; or

For existing enterprise making investment for Modernization/ Expansion/ Diversification, the date on which the enterprise issues the first sale bill of the goods manufactured by it in the State after completion of Modernization/ Expansion/ Diversification.

B. "Diversification" means launching of a new product line in glass and/or ceramic sector by the existing enterprise;

C. "Glass and /or ceramic enterprise" means such industrial enterprises as may be notified by Industries Department manufacturing glass and /or ceramic goods in the State;

D. "Investment" means investment made in fixed assets by any enterprise having industrial output of glass and /or ceramic goods. However, investment made in land in excess of 30% of the total



investment made by the Enterprise shall not be included in investment;

- E. "Modernization" means up-gradation and improvement in the process of production of glass and/or ceramic goods by an existing enterprise;
- F. "New Enterprise" means setting up of new enterprise in glass and/or ceramic sector by making investment within the meaning of clause D and shall include a enterprise setup by an existing enterprise at a site other than the existing site having separately identifiable books of accounts and depositing the Taxes and Duties leviable under any State Act including Provident Fund separately;
- G. "Revival of a Sick Industrial Enterprise" means –
re-commencement of commercial production of glass and/or ceramic goods by a sick industrial enterprise lying closed due to sickness ;
or
enhancement of production level of glass and/or ceramic goods due to infusion of fresh funds for change in production process/ technology/ product line in case of running sick industrial enterprise;

AND

providing employment to the extent of 50% in the first two years, of the maximum level of employment attained in the preceding 3 years from the date of its declaration as a sick industrial enterprise, followed by 100% employment within five years;

- (2) The words and expressions used but not defined in the package shall have the meanings assigned to them under RIPS– 2010.

3. Applicability of the Package

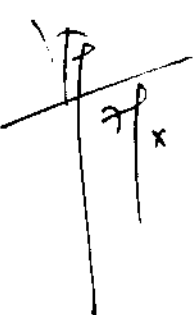
- (1) The package shall be applicable to the following class of enterprise(s) in glass and/or ceramic industry:
 - (a) New Enterprise;
 - (b) Existing Enterprise making investment for Modernization/ Expansion;
 - (c) Existing Enterprise making investment for diversification in glass and/or ceramic industry.
- (2) Minimum investment to be eligible under the package shall be Rs. Fifty crores.

4. Subsidy

- A. Subsidy shall consist of Investment Subsidy and Employment Generation Subsidy as mentioned in Table-1 given below and shall be allowed, for a period of seven years, to all glass and/or ceramic enterprises to which an Entitlement Certificate as prescribed under RIPS-2010 has been issued.
- B. The maximum amount of subsidy shall be 75% of the total amount of tax (es) that is Value Added Tax and Central Sales Tax or State Goods and Services Tax (whenever introduced), which have become due and have been deposited into the government exchequer.

However, in case of Modernization/ Expansion/ Diversification, the subsidy shall be allowed only on the amount of additional tax liabilities which accrue due to utilization of increased capacity/ increased volume of sales in quantity, created/ achieved after Modernization/ Expansion/ Diversification.

Table-1



S. No.	Type of Subsidy	Amount of Subsidy
1	2	3
1.	Investment Subsidy	70% of tax (es) which have become due and have been deposited by the enterprise.
2.	Employment Generation Subsidy	5% of tax (es) which have become due and have been deposited by the enterprise, subject to limits mentioned in table-2 below.

The maximum limit of Employment Generation Subsidy shall be as mentioned in column number 5 of Table-2, and shall be allowed to the eligible enterprise at the rate as mentioned in column number 4, according to the category of enterprise and employee as mentioned in column number 2 and 3 respectively of Table-2 given below:

TABLE - 2

S.No.	Category of Enterprise	Category of Employee	Amount of Employment Generation Subsidy	Maximum Limit of Employment Generation Subsidy and other conditions
1	2	3	4	5
1	New Enterprises and project for common social good	General	Rs. 15,000/- per employee per year of completed service.	Total amount of Employment generation subsidy shall not exceed 5% of the amount of tax(es) which have become due and have been deposited by the enterprise.
		Women/ SC/ST/ Person with disability(PwD)	Rs. 18,000/- per employee per year of completed service.	
2	Modernization/ Expansion/ Diversification	General	Rs. 15,000/- per employee per year of completed service.	1. Total amount of Employment generation subsidy shall not exceed 5% of the amount of tax (es) which have become due and have been deposited by the enterprise. 2. Employment generation subsidy shall be allowed only for the employees appointed under Modernization/ Expansion/ Diversification over and above the existing employees.
		Women/ SC/ST/ Person with disability (PwD)	Rs. 18,000/- per employee per year of completed service.	
3	Sick Industrial Enterprise for its revival	General	Rs. 15,000/- per employee per year of completed service.	1. Total amount of Employment generation subsidy shall not exceed 5% of the amount of tax (es) which have become due and have been deposited by the enterprise. 2. Employment generation subsidy shall be allowed only for the employees appointed over and above the maximum employment level attained during the preceding 3 years from the date of its declaration as a sick industrial enterprise.
		Women/ SC/ST/ Person with disability (PwD)	Rs. 18,000/ per employee per year of completed service.	

5. EXEMPTIONS

The eligible glass and/or ceramic enterprise shall be entitled to claim exemptions from payment of Electricity Duty, Land Tax, Stamp Duty on purchase or lease of land and construction/ improvement on such land and Conversion Charge payable for change of Land use as per and under the provisions of RIPS-2010.

6. PROCEDURE FOR CLAIM OF SUBSIDY

The procedure for claim of subsidy shall be the same as laid down under RIPS-2010 provided that the Enterprises who have commenced commercial production within the operative period of this Package but before the date of issuance of this order shall be permitted to submit duly completed application within 90 days of issuance of this order.

7. CONDITIONS

The benefits under the package shall be subject to the following conditions:-

- (i) that the enterprise shall commence its commercial production in the operative period of the Package and shall be eligible to claim the benefits under this package for a period of seven years from the date of commencement of commercial production.
- (ii) that the enterprise availing benefits under the package shall be subject to the conditions, procedures, instructions, clarifications, or amendments issued from time to time under the package and RIPS-2010.
- (iii) that the enterprise shall not be eligible to claim benefit of any other subsidy under any other scheme of the State Government except as provided in this package.
- (iv) that the State Government reserves the right to review or modify the package as and when required.

8. APPLICABILITY OF THE PROVISIONS OF RIPS-2010

Subject to the provisions of this package, all the provisions (except clause 4) of the RIPS-2010 shall apply mutatis mutandis. All the notifications issued for the implementation of exemptions allowed under RIPS-2010 shall also be applicable for this package.

By Order,

(Dr. Ravi Kumar S.)

Deputy Secretary to Government

Copy forwarded to the following for information and necessary action:

1. Superintendent, Government Central Press, Jaipur for publication of this order in part 4(c) of extra ordinary gazette along with a soft copy in CD. It is requested 10 copies of this order may be sent to this department and 20 copies along with bill may be sent to Commissioner, Commercial Taxes Department Rajasthan, Jaipur. Please ensure that soft copy in CD is same as hard copy as provided to you for publication.
2. Principal Secretary to Hon'ble Chief Minister (Finance Minister).
3. Commissioner, Commercial Taxes Department, Rajasthan, Jaipur.
4. PS to ACS, Finance.
5. PS to Principal Secretary, Industries.
6. PS to Secretary, Finance (Revenue).
7. Director, Public Relations, Jaipur.
8. SA, Finance (Computer Cell) Department, Secretariat, Jaipur.
9. Guard File.

Deputy Secretary to Government