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INDUSTRIES DEPARTMENT

NOTIFICATION

The 30th October 2008

Sub: Amendment of IPR-80, IPR- 86, IPR- 89, IPR- 92 and IP-96 - Provisions for sanction of Capital Investment Subsidy (CIS) and exemption of Sale Tax under Expansion/ Modernization/ Diversification (E/M/D) programme with retrospective effect.

No. 15268-XIV-HI-27/2008/I.—After careful consideration, Government have been pleased to amend the provisions of the IPRs in the manner indicated below.

1. Para 7.5 of IPR -92 is substituted as follows:

The incentive by way of exemption or deferment of sales tax on finished products shall be available for expansion / modernization/ diversification of existing units taken up after the effective date for a period of 5 years from the date of commercial production of such E/M/D project subject to a limit of 60 per cent of the additional capital investment in plant and machinery only in Zone-C, 75 per cent in Zone-B and 100 per cent in Zone-A provided that such expansion / modernization/diversification has been undertaken on the basis of separate project report duly appraised by the financial institutions and provided further that, subject to the provisions of the Sales Tax Act, the benefit of exemption/deferment shall not have the effect of reducing the sales tax paid by the unit prior to commencement of the expansion/modernization/ diversification programmes. In other words, the benefit shall be applicable to incremental sales.

2. Capital Investment Subsidy under IPR-1980

New Industrial Units and existing units going in for expansion shall be eligible for 15 per cent subsidy on fixed capital investment subject to a limit of Rs.15 lakhs in all the districts of the State. In districts where this facility is not available under the

Central Investment Subsidy Scheme the subsidy will be provided by the State Government on the same terms and conditions as in case of the Central Investment Subsidy.

Capital Investment Subsidy claim including claims for additional subsidy on account of E/M/D shall be limited to the over all financial limit prescribed under this IPR. In other words, if the eligible unit has availed of capital investment subsidy under the previous IPR during its operational period, its claim for additional subsidy would be limited to the differential amount between actual subsidy availed of during the operational period of the previous IPR and the maximum CIS prescribed under this IPR.

3. Capital Investment Subsidy under IPR-1986

- (c) (i) New Industrial Units as well as expansion / modernization / diversification projects as defined earlier will be eligible to get fixed capital investment subsidy in the following manner :-

Zone 'A' 25 per cent of the fixed capital investment subject to the limit of Rs.25 lakhs	In respect of Kalahandi district, 10 per cent of the fixed capital investment would be paid as State Investment Subsidy in addition to 15 per cent Central Subsidy.
Zone 'B' 15 per cent of the fixed capital investment subject to a total limit of Rs.15 lakhs.	In respect of Balasore District, 25 per cent of the fixed capital investment subject to the limit of 25 lakhs.
Zone 'C' 10 per cent of the fixed capital investment subject to a limit of Rs.10 lakhs.

- (ii) Electronics industries so declared by State Electronics Development Corporation and special class entrepreneurs will be eligible for 5 per cent extra capital investment subsidy subject to the upper limit of Rs. 5 lakhs.

(iii) Capital Investment Subsidy claim including claims for additional subsidy on account of E/M/D shall be limited to the over all financial limit prescribed under this IPR.

In other words, if the eligible unit has availed of capital investment subsidy under the previous IPR during its operational period, its claim for additional subsidy would be limited to the differential amount between actual subsidy availed of during the operational period of the previous IPR and the maximum CIS prescribed under this IPR.

4. Capital Investment Subsidy under IPR-1989

5.1 New Industrial Units as well as expansion/ modernization/ diversification projects as defined earlier, shall be allowed Capital Investment Subsidy including Central Investment Subsidy, if any made available by Government of India in the following manner:

Zone 'A' 25 per cent of the fixed capital investment subject to the limit of Rs. 25 lakh.

Zone 'B' 15 per cent of the fixed capital investment subject to the limit of Rs.15 lakh.

Zone 'C' 10 per cent of the fixed capital investment subject to the limit of Rs.10 lakh.

Provided that if Central Investment Subsidy for any district/area is allowed by Government of India at a higher rate than above, the higher rate will be applicable.

5.2 Special Class entrepreneurs and pioneer units will be allowed 5 per cent extra capital investment subsidy subject to an upper limit of Rs.5 lakh.

5.3 All industries which were entitled for incentives under 1986 Policy and 1980 Policy will get capital investment subsidy inclusive of Central Investment Subsidy at the prescribed rate. Provided, however, that the industries which were declared ineligible as per Government of India letter No. 15(4)/88-DBA-II dated 22nd September, 1988 will not get the aforesaid benefit if started fixed capital investment on or after 22.9.1988.

5.4 Capital Investment Subsidy claim including claims for additional subsidy on account of E/M/D shall be limited to the over all financial limit prescribed under this IPR.

In other words, if the eligible unit has availed of capital investment subsidy under the previous IPR during its operational period, its claim for additional subsidy would be limited to the differential amount between actual subsidy availed of during the operational period of the previous IPR and the maximum CIS prescribed under this IPR.

5. Capital Investment Subsidy under IPR-1992

5.1 New Industrial Units as well as expansion/ modernization/diversification projects as defined earlier, shall be allowed Capital Investment Subsidy in the following manner:

Zone 'A' 30 per cent of the fixed capital investment subject to a limit of Rs.30 lakh.

Zone 'B' 20 per cent of the fixed capital investment subject to a limit of Rs.20 lakh.

Zone 'C' 10 per cent of the fixed capital investment subject to a limit of Rs.10 lakh.

5.2 Special class entrepreneurs and pioneer units will be allowed 5 per cent extra capital investment subsidy subject to an upper limit of Rs.10.0 lakh, over and above the limits specified in 5.1.

5.3 Capital investment subsidy will be released within 30 days after the unit completes trial production.

5.4 Capital Investment Subsidy claim including claims for additional subsidy on account of E/M/D shall be limited to the over all financial limits prescribed under this IPR.

In other words, if the eligible unit has availed of capital investment subsidy under the previous IPR during its operational period, its claim for additional subsidy would be limited to the differential amount between actual subsidy availed of during the operational period of the previous IPR and the maximum CIS prescribed under this IPR.

6. Capital Investment Subsidy under IP-1996

4. Capital Investment Subsidy.

New Industrial Units will be allowed Capital Investment Subsidy in the following manner:

Zone 'A' 20 per cent of the fixed capital investment subject to a limit of Rs.20 lakh.

Zone 'B' 15 per cent of the fixed capital investment subject to a limit of Rs.15 lakh.

Zone 'C' 10 per cent of the fixed capital investment subject to a limit of Rs. 10 lakh.

Provided that only new Industrial Units with a maximum project cost up to Rs. 5 crores will be eligible to avail of the incentive of capital investment subsidy.

Provided further that 'special class entrepreneur' will be eligible for 5% extra capital investment subsidy subject to a limit of Rs. 5 lakhs over and above the limits specified.

Provided further that Capital Investment Subsidy claim including claims for additional subsidy on account of E/M/D shall be limited to the over all financial limits prescribed under this IPR.

In other words, if the eligible unit has availed of capital investment subsidy under the previous IPR during its operational period, its claim for additional subsidy would be limited to the differential amount between actual subsidy availed of during the operational period of the previous IPR and the maximum CIS prescribed under this IPR.

This has been concurred in by Finance Department vide their U.O.R. No. 07/CT., dated the 17th April 2008.

ORDER: Ordered that the Notification be published in next issue of the extra ordinary gazette and copy there of be forwarded to all Departments of Government, all Heads of Department and Accountant General, Orissa, Bhubaneswar.

By order of the Governor

ADITYA PRASAD PADHI

Commissioner-*cum*-Secretary to Government