SUBSIDIES AND FINANCE FACILITIES IN RAJASTHAN STATE

Scheme for Supporting MSME Electronic Sector

Government of India has recently launched a scheme for Supporting MSME Electronic Sector in order to promote good quality manufacturing of Electronic items in India itself. The Scheme in the form of Reimbursement of certain expenses to the manufacturer of Electronic goods and items which will encourage the manufacturers, Exporters.

Under this Scheme the assistance is provided in the form of Reimbursement of 3 types of Expenses which are:

1. Reimbursement of expenses relating to compliance of electronic goods with Indian Standards: Rs. 1 Lakh / Model (Max.)
2. Reimbursement of expenses relating to testing and certifications required for exports: Rs. 1.25 Lakhs / Model (Max.)
3. Expenses incurred on developing Electronic Manufacturers Clusters for Study, Intervention etc.: Limit is up to 20 lakhs / Cluster (Max.)

Scheme for Young / First Stage Entrepreneurs

Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) in 2012 has introduced a New Loan Facility for the Young and First Stage Entrepreneurs of Rajasthan for Setting up any Project except a Real Estate Project. Under this Scheme RIICO is providing Maximum Term Loan of Rs. 10 Cr.

Purpose of the Loan	For Setting up a NEW Project
Loan Limit	10 Cr.
Promoter's Contribution	20% of the project Cost
Margin	20%
Interest rate	As Prevailing at the time of Sanction, Normally it is in Between 13-15 % PA
Rebate on Timely Payment of Interest and Principal	RIICO Provides Interest rate rebate normally up to 2% if the Borrower repays

	the amount regularly and punctually.

Equipment Finance Scheme (EFS)

RIICO provides Equipment Finance to Established Units for Purchase/ Acquisition of Machinery/ Equipment maximum up to 4 Crores. In which the Promoter's Contribution is a minimum of 22.5% and the Security Margin is 25%.

The Rate of Interest is the Prevailing rate at the time of sectioning of the amount and the rebate is provided if the repayment of the amount is on track, the rebate is 2% on the documented rate of interest wef from 2009.

Any Industrial unit having good financials and good repayment record are eligible for the above scheme, other requirements are:

1. The industrial Unit seeking finance must be in active operations from last 4 years.
2. This unit must have earned profits and distributed dividends on Shares in preceding last 2 years.
3. Not in a default of repaying its debts from any Financial Institutions / Banks

Credit Linked Capital Subsidy Scheme (CLSS)

CLSS introduced to facilitate Technology Up gradation of Small Scale Industries in the Manufacturing Segment, this Scheme Provides Term Loan with Capital Subsidy directly related to the value of Plant and Machinery in the Unit, CLSS may be taken for a fresh unit as well as existing units seeking for the up gradation of their machinery related to technology.

This scheme gives priority to Women Entrepreneurs in any form, Sole Proprietorship, Partnership, Cooperative Societies, Private Limited Company and Public Limited Company.

Maximum Subsidy available for the Industrial Units is up to 15% of Capital Investment in Plant and Machinery, the ceiling on the Loan amount is Rs. 100 Lakhs and Ceiling on Subsidy is 15 Lakhs.

Only the Loan Sanctioned under this scheme is eligible for Capital Subsidy.

Technology Up gradation Fund Scheme for Textile and Jute Industries (TUFS)

Government of India launched TUFS for Textile and Jute Industries under the guidelines issued by the Ministry of Textiles to upgrade the existing units in terms of Technology and to modernise the existing model of their working.

The Benefit of this scheme is reimbursement of Interest part up to 5% on the Loans taken by the Industrial Units for up gradation of Technology, this scheme also provided 25% capital subsidy on the Purchase of new machinery specified under the scheme. There is minimum Promoter's Contribution required up to 20% of the Project Cost

Scheme of Technology up Gradation of Food Processing Units

This Scheme aims at up grading the Production and technology of Food Processing Units like Fruits, Vegetable, Milk Products, Meat, Poultry, Other Consumables Products, Oilseeds, Food Flavours and Colours etc. are covered under this Scheme. For the Implementation of this Scheme SIDBI is appointed as one of the major Nodal Agencies.

Grant of 25% of Capital Investment in Plant and Machinery, maximum up to 50 Lakhs in general areas and 33% and maximum up to 75 lakhs in areas like Jammu and Kashmir, Himachal Pradesh, Uttrakhand, Sikkim, North East States, Andaman and Nicobar Islands, Lakhwadeep and Integrated Tribal Development Projects (ITDP Areas)

Power Generation Projects in Rajasthan

Government of Rajasthan in order to meet Demand of Electricity and development of the state in terms of Industries, Government of Rajasthan has taken a decision to promote Private Sector Investment in Power Generation in Rajasthan to meet out the rapidly increasing Power Demand in the State. There are so many advantages the government is providing in order to encourage the private sector players to establish their projects in Rajasthan which was mentioned below:

1. Land : Allotment of Land , Wherever available at DLC rate if the Land belongs to the Government and where the Private Land , Government will allot for the Project at the cost of acquisition and if the Land is already had with the Company/ Project Planners then no Conversion Charges will be levied on them.
2. Single Window Clearance would be given
3. 100% Stamp Duty Exemption is given for the execution of all deeds related to Land and Project, subject to a minimum Cost of Project exceeds 750 cr.
4. Exemption for Taxes by whatever named called on entry in to Local area, from any place outside the Local area, of all capital goods, Plant and Machinery and Spare Parts except fuel for the purpose of the project during construction of the Project.
5. Other benefits under Rajasthan Investment Promotion Policy will also be available for the Projects.

Production of Electricity from Solar and Biomass Sources

In order to promote electricity generation from Non-Conventional energy sources the government of Rajasthan recognised Wind, Solar and Biomass as good sources of production of Electricity.

The State Government is providing Land for the above projects on concessional rate of 10% of DLC prevailing in the proposed area other benefits prevailing for industries are as it is for these projects too.

Electricity consumption by these projects is free from Electricity Duty.

Rajasthan Investment Promotion Scheme 2010

Under RIPS 2010, following Exemptions are available for the Industrial units including Micro, Small and Medium Enterprises:

S.NO	Category of Investment	Type of Exemption from Taxes/ Duties/ Charges	Extent of %
1.	New Enterprises and Project for Common Social Good`	1.Luxury Tax 2.Electricity Duty 3. Entertainment Tax 4. Land Tax 5. Mandi Fees	100% 50% 50% 50% 50%
		Stamp Duty on Purchase or Lease of Land and Construction/ Improvement on Such Land	50%
		Conversion Charges	50%
2.	Investment made in Modernisation/ Expansion/ Diversification	1.Luxury Tax 2.Electricity Duty 3. Entertainment Tax 4. Land Tax 5. Mandi Fees	100% 50% 50% 50% 50%
		Stamp Duty on Purchase or Lease of Land and Construction/ Improvement	50%
		Conversion Charges	50%

3.	Sick Industrial Enterprises for its Revival	1.Luxury Tax 2.Electricity Duty 3. Entertainment Tax 4. Land Tax 5. Mandi Fees	100% 50% 50% 50% 50%
		Stamp Duty on Purchase or Lease of Land and Construction/ Improvement	50%
		Conversion Charges	50%

Also, Units Going for Modernization/ Expansion/ Diversification is allowed an exemption from Payment of Taxes only to the extent to which additional Tax Liability accrues due to utilisation of additional capacity created after modernisation/ Expansion/ Diversification.

Under RIPS 2010. Investment Subsidy and Employment generation Subsidy is also allowed for a Period of 7 Years, to all enterprises to which an Entitlement Certificate prescribed under this scheme has been issued , However, for MSME located in the notified area the benefits id extended to 10 years.

Provision for additional benefits for Women/ SC / ST / Person with Disability is also incorporated under this Scheme.

Capital Investment Subsidy Scheme for Commercial Production of Organic Inputs

Following benefits are allowed for the production of Organic Inputs in the form of Subsidy, Capital Outlay of 25% is given back to the Unit in the form of Subsidy

General Features of this Scheme:

1. 50% Outlay to be taken as Loan from Bank
2. 25% of Outlay will be given as back ended subsidy after closure of the Loan
3. 25% of Outlay should be Margin Money

Maximum Subsidy allowed for:

1. Bio Fertilizer Units : Rs. 20 Lakhs
2. Fruit and Vegetable Waste Compost Units : Rs. 40 Lakhs
3. Vermi Hatchery Units: Rs. 1.50 Lakhs

NABARD is the releasing authority for the Subsidy and National Centre for Organic Farming is the Implementing authority and all Farmers/ Group of Farmers, Individuals, partnership Firms, Cooperative, Fertilizer and Seed Industries , Companies and NGOs are eligible for the above Scheme.