

## Local Raw Materials Scheme

No. 3/40/2003/IND(Part)  
Government of Goa,  
INDUSTRIES DEPARTMENT,  
Secretariat, Porvorim - Goa.  
Dated:- 31st December, 2008.

### NOTIFICATION

Whereas vide Notification No. 1/49/2000/S(IND)/Vol. II dated 04-08-2003, published in the Official Gazette, Extraordinary No.4 Series 1 No.18 dated 06.08.2003, the Government of Goa notified the Goa Industrial Policy, 2003 (hereinafter referred to as the "said Policy").

Now, in pursuance of clause 5.9 (iii) of the said Policy, the Government of Goa is pleased to frame the following Scheme, namely:-

#### **1. Short title and commencement**

- 1) This Scheme shall be called the INCENTIVES TO ENCOURAGE CONSUMPTION OF LOCAL RAW MATERIAL SCHEME, 2008.
- 2) It shall come in force from the date of its publication in the Official Gazette, and shall remain in force upto 31st March, 2011. The Scheme will cover the units, gone into production on or after 06.08.2008. However, the beneficiary under this Scheme will continue to get the benefits, beyond the validity of the Scheme as per the scope of the Scheme.

**2. Objectives** - The main objective of this Scheme is to encourage consumption of local raw material; thereby encouraging units manufacturing such raw material and also to encourage economics of villages supplying/producing such raw materials including those in Horticulture business/Food Processing/Cluster.

#### **3. Eligibility**

- 1) Only those units under green and specified orange category shall be eligible under this Scheme.
- 2) Only those units which are permanently registered with the Directorate of Industries, Trade and Commerce or cleared by High Powered Co-ordination Committee (HPCC) or any Committee or authority formed to grant such clearance for investment in the State shall be eligible under this Scheme. This Scheme will be applicable only to Micro and Small Enterprises and Medium Scale Enterprises as defined under MSMED Act,
- 3) The unit consuming minimum 50% of its raw material (in value) from local sources shall be eligible for the benefit on pro-rata terms with those consuming 60% and above, which will be considered for 100% benefit under this Scheme.

Note: For the purpose of this Scheme, the local raw material means:

- a) Material, which is manufacture in an approved industrial unit (Micro and Small Enterprises, Medium, Large Unit) in the State of Goa.
- b) Material, which is mined or produced in the State of Goa (for e.g. agricultural produce, marine produce, mineral and ore, etc.). The beneficiary shall have to prove, by submitting documentary evidence; that the material has been locally produced or mined.

In case of any dispute in interpreting meaning of clauses (a) and (b) above, the decision/interpretation of the Director, Directorate of Industries, Trade and

Commerce shall be final and binding.

**4. Nature of Incentive** - Once a unit becomes eligible under this Scheme, following incentives shall be granted in proportion to the quantum of local raw material consumed by such unit for a period of five years from the date of first approval.

- 1) The unit consuming local raw material below 50% of total raw material consumed by such unit shall not be considered for any benefit. The unit consuming local raw material from 50% to 60% of total raw material consumed, by such unit; shall be given benefit proportionately considering 50% consumption at zero level and 60% consumption at 100% level (units consuming more than 50% local raw material of its total raw material shall get benefit of 100%) For the purpose of calculating the percentage level; the raw material to finished goods ratio shall be considered as 0.4 (minimum) and 0.6 (maximum). Any deviation beyond this figure, the benefit shall be directly/proportionately reduced (refer Appendix I hereto for details).
- 2) Following benefit shall be granted to the eligible units:
  - a. The eligible unit shall be considered for reimbursement to the extent of maximum 90% Sales Tax paid by such unit and subject to quantum based on (1) above.
  - b. The eligible unit shall be considered for incentives in the form of subsidy on power and water bills annually. 25% subsidy will be given to the eligible units on total expenditure incurred by the unit on power and water tariff subject to maximum 2 lakhs per annum and as per proportion indicated in (1) above.

**5. Procedure to file claim** - After closure of every financial year, the unit shall apply in specified format to the Director of Industries, Trade and Commerce, along with following documents.

- a) Affidavit sworn by the promoter stating the facts in the specified format.
- b) Self certified copies of bills of purchase of local raw material.
- c) Statement from Department of Commercial Taxes.
- d) Comparative Statement to support the claim.
- e) Photocopies of monthly water and electricity bills from April and March, along with self certified copy of proof of payment.
- f) Application for the financial year should be submitted by 30th September. No claim shall lie with the Government after 30th September and it shall be the responsibility of the Directorate of Industries, Trade and Commerce to display the list of claimants under the Scheme on the notice board on first working day after 30th September, and copy of this list shall be forwarded to the Government immediately.

## **6. Disbursement Procedure**

- 1) Upon receipt of application under this Scheme by the Director of Industries, Trade and Commerce, the same shall be scrutinized and disposed off within the period of three months.
- 2) For the purpose of this Scheme, Director of Industries, Trade and Commerce may constitute a Task Force Committee under the Chairmanship of General Manager (DIC) besides the following. There shall be a Task Force Committee for the purpose of this scheme which shall scrutinize and recommendation of the benefits under this Scheme, consisting of the following members :-
  1. General Manager (DIC) of Directorate of Industries, Trade and Commerce, as a Chairman.
  2. Assistant Director (Admn) of Directorate of Industries, Trade and Commerce, as a Member.
  3. Under Secretary (Finance / Expenditure), as a Member.

4. One person to be nominated by the Government from Goa Chamber of Commerce and Industry.
  5. One person to be nominated by the Government from Goa State Industries Association.
- 3) No dues shall be confirmed by the Directorate of Industries, Trade and Commerce, with concerned departments under the deemed provision basis within a period of 60 days; before disbursement.

This has been issued with the concurrence of Finance (Exp.) Department vide U.O.No. 1650 dated 26/6/2008.

By Order and in the name of  
the Governor of Goa.  
Sd/-  
( B. S. Kudalkar )  
Under Secretary (Industries)

## APPENDIX I

Example No. 1: A unit consuming 40% of local raw material shall get 50% of actual benefit granted under this Scheme i.e. 45% benefit on total Sales Tax paid by such unit and 12 ½% benefit on total expenditure incurred by such unit on power and water tariff as proportion indicated in the Scheme.

Example No. 2: A unit consuming 30% of total raw material of its total Net sale out of which 50% is local raw material then the unit will get benefit 75% of actual benefit granted under this scheme i.e. 67.5% benefit on total Sales tax paid by such unit and 18.75% benefit on total expenditure incurred by such unit on power and water tariff as per proportion and considering minimum factor as indicated in the Scheme.

In case the total raw material is below 40% or above 60% of the total net sales then for every such point, 2.5% per percentage point reduction in benefit shall be taken into account before calculations are carried out for the benefit under clause 6, sub-clause (ii) (a) and (b), respectively i.e. the benefit of 90% sales tax subsidy and 25% subsidy on power/water tariff, shall be reduced by 2.5% per percentage point.