

GOVERNMENT OF TAMILNADU

ABSTRACT

Industries - Incentive scheme for Super Mega Industries - Sales tax Waiver /Deferral - Concessions - Orders - Issued.

INDUSTRIES (MIG-II) DEPARTMENT

G.O.Ms.No.1

Dated : 2.1.1996

READ :

1. G.O.Ms.No.43, Industries, dated 13.12.1992.

ORDER :

In the Government order read above, the Government announced a package of incentives to Large Industries set up anywhere in the State and having investments in fixed assets of Rs.50 crores to 100 crores; Rs.100 crores to Rs.200 crores; Rs.200 crores to Rs.300 crores; and Rs.300 crores and above. The Government feel that it is necessary to formulate another category called "Super Mega Projects" in which investments in fixed assets exceed Rs.1,500 crores. The Government stipulate that in order to be considered a "Super Mega Project", the said investment must be made within a time frame of 5 years (relaxable upto 7 years in special cases) from the date of signing of the Memorandum of understanding or other relevant date fixed by the Government.

2. The following special concessions are sanctioned for such 'Super Mega Projects':-

- (i) They will be eligible for sales tax deferral/waiver for 14 years. The Company can exercise its option either to avail deferral/waiver.
- (ii) The limit of only one revision of the Eligibility Certificate as stipulated in Government Letter Ms.No.1414, Industries (MIG.2) Department dated 14.12.1990, will not be applicable to Super Mega Projects. They are permitted - a maximum of **Five** number of revisions of the Eligibility Certificate. The Eligibility Certificate indicates the investment made in fixed assets up to the date of its issue and represents the Eligibility Limit for availing sales tax deferral/waiver at any point of time. Once the "Investment Limit" and "Time Limit" for making the investment as specified for 'Super Mega Project' are reached, the Company will be eligible for the concessions indicated in subparas (iii) and (iv) below.
- (iii) These companies can continue to avail sales tax deferral/waiver upto the specified period of 14 years, even if the quantum of sales tax deferral/waiver availed reaches the limit of 100% of the value of investment in fixed assets for the Super Mega Project before 14 years.

(iv) If the quantum of sales tax deferral/waiver availed by these companies does not reach the limit of 100% of the investment in fixed assets for the Super Mega Projects by the end of the 14th year, they can continue to avail sales tax deferral/waiver for a further period not exceeding 7 years or till the limit of 100% of the value of the investment in fixed assets for the Super Mega Project is reached, whichever ever is earlier.

(v) The deferred sales tax will be repayable in 5 equal annual instalments as follows:-

Sales tax deffered in year 1 will be repayable in 5 equal annual instalments from Year 15 to Year 19; Sales tax deffered in year 2 will be repayable in 5 equal annual instalments from year 16 to Year 20 and so on. The deferred amount repayable in any particular year will be paid in 4 equal quarterly instalments before the last day of each quarter.

3. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) will be the ementing agency for this scheme.

4. This order takes effect from the date of issue.

5. Power Projects and Refinery projects are excluded from the purview of order.

6. This order issues with the concurrence of Finance Department vide its No.5526/Fs/P/95, dated 27.11.95.

(By order of the Governor)

C. RAMACHANDRAN,
Principal Secretary to Government.