

repaid in full along with a nominal interest of 0.1% per annum in the month of April in the 8th Financial year; the soft loan given in the second year will be permitted to be repaid in full along with a nominal interest of 0.1% per annum in the month of April in the 9th Financial year and so on.

(ii) The New Industrial Policy 2007 treats expansion units on par with new units for the purpose of incentives, subject to the production volume / value in the older unit being preserved. Therefore, for expansion projects set up in Southern Districts, the ceiling on cumulative availment of soft loan will be fixed at 100% of the investment made in eligible fixed assets during the investment period on par with new projects.

(iii) In case of expansion projects, availment of output VAT and CST incentive is generally restricted to certain percentage of the output VAT and CST paid in a year as per a sliding scale. As part of Special Package, this sliding scale will **not** be applied to the expansion projects set up in Southern Districts mentioned above. However, the Base Volume Principle will be applied.

4. For all investments above Rs.250 crores in eligible fixed assets within 3 years period as well as super-mega projects in Southern Districts, refund of output VAT + CST paid to Government will be given instead of soft loan based incentive. Other norms of Structured Package will be followed. The ceilings now prescribed will not change.

5. The above Special Package will be considered along with the capital subsidy, electricity tax exemption, environment protection infrastructure subsidy etc., to which the new or expansion units in Southern Districts will be eligible as per the New Industrial Policy 2007.

6. This order issues with the concurrence of Finance Department, vide its U.O.No.183/SS(AP)/08, dated 26.9.2008.

(BY ORDER OF THE GOVERNOR)

M.F. FAROOQUI
PRINCIPAL SECRETARY TO GOVERNMENT.

To

The District Collectors,
Madurai, Theni, Dindigul, Sivagangai, Ramanathapuram,
Virudhunagar, Thirunelveli, Thuthukudi and Kanniyakumari.
The Secretary to Government, CT & R Department, Chennai-9.
The Principal Secretary to Government, Finance Department, Chennai-9
The Special Commissioner & Commissioner of Commercial taxes, Chepauk, Chennai-5
✓ The Chairman and Managing Director,

SIPCOT

Egmore, Chennai-8

The Director, Guidance Bureau, Chennai-8

Copy to:

All Sections in Industries Department (Major Industries), Chennai-9

Finance (Industries) Department, Chennai-9

Commercial Taxes & Registration Department, Chennai-9

Sf/Scs.

// Forwarded / By Order//

S.S. Baiyanath
SECTION OFFICER

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