



300

Amey
299

Discontinuation of Sales Tax based Incentives under the Industrial Incentive Policy, 1995-2000 and Eligibility Conditions for Pipeline cases.

GOVERNMENT OF GUJARAT,
Industries and Mines Department,
Government Resolution No.INC/1099/131(2000)/I
Sachivalaya, Gandhinagar.
Dated the 29th April, 2000

- Read : (1) Government Resolution, Industries & Mines Department No.INC/1095/2000(1)/I dated 11.9.1995 as amended from time to time.
- (2) Government Resolution, Industries & Mines Department No.INC/1095/2000(2)/I dated 11.9.1995 as amended from time to time.
- (3) Government Resolution, Industries & Mines Department No.INC/1095/2000(3)/I dated 11.9.1995 as amended from time to time.
- (4) Government Resolution, Industries & Mines Department No.INC/1095/2000(4)/I dated 11.9.1995 as amended from time to time.
- (5) Government Resolution, Industries & Mines Department No.INC/1095/2000(6)/I dated 6.1.1996 as amended from time to time.
- (6) Government Resolution, Industries & Mines Department No.INC/1095/2000(7A)/I dated 1.8.1996 as amended from time to time.
- (7) Government Resolution, Industries & Mines Department No.INC/1097/788/I dated 30.9.1997 as amended from time to time.

PREAMBLE :-

With a view to accelerate development of the backward areas of the State and to create large scale employment opportunities, the Government of Gujarat has formulated industrial incentive policy, 1995-2000 which inter-alia, provides for giving capital investment subsidy and sales tax incentives. This scheme had come into operation with effect from 16.8.1995 for a period of 5 years.

In the conference of Chief Ministers and Finance Ministers of States and Union Territories held on 16th November, 1999, State Governments and Central Government had evolved a consensus for abolition of Sales Tax

TRUE COPY
ADVOCATE

309 300

related incentives and concessions. It was also decided in principle to give effect to this discontinuance of incentives with effect from 1.1.2000.

The Standing Committee of State Finance Ministers to monitor Sales Tax Reforms in its meeting held on 20.12.1999 unanimously resolved that there should be no new incentives relating to Sales Tax for any industry and that the industrial units in pipelines should be entitled for incentives only if such units fulfil certain conditions.

RESOLUTION:-

Government of Gujarat has examined this issue. In order to give effect to the decision taken in the Conference held on 16th November, 1999, Government of Gujarat is pleased to decide as under :-

- (i) Sales tax based incentives for new investments as well as for expansion/modernisation/diversification, etc. shall be discontinued with effect from the 1st January, 2000 under Government resolutions referred above.
- (ii) The existing commitments in respect of such incentives made/offered in respect of the industrial units eligible as on 31st December, 1999 shall be continued for the period of their eligibility.
- (iii) (A) The industries in pipeline shall be entitled for incentives if such units fulfil the following conditions:-
 - (1) the SSI/Tiny unit has applied to the registering authority before 1/1/2000 for obtaining a provisional registration certificate or the Medium/Large Unit has got itself registered before 1/1/2000 with the Government of India either by way of Industrial Entrepreneurship Memorandum (IEM) or Letter of Intent (LOI) or Letter of Permission/Licence or the concerned unit is registered before 1.1.2000 with the concerned department of State/Central Government;

TRUE COPY
ADVOCATE

310 307

- (2) Such a unit has been allotted/obtained land for the factory prior to 1/1/2000 or such a unit has been offered land by the Gujarat Industrial Development Corporation Limited.
- (3) Such unit has applied before 1/1/2000 for finances from any regular financial institution or has made arrangement for finance before 1-1-2000.

(B) The Industrial units satisfying all the conditions as per (iii)(A) above would be eligible to be treated as pipeline cases. They should start production within 2 years from January 1st, 2000 failing which such units shall be rendered ineligible for sales tax incentives.

This issues with concurrence of the Finance Department vide its note dated 29th April, 2000 on File No: GST/1099/CM-28/Th (FD).

By order and in the name of the Governor of Gujarat,

C. S. UPADHYAY
Under Secretary to Government of Gujarat,
Industries and Mines Department

Copy to

1. The Secretary to the Governor,
2. The Principal Secretary to the Chief Minister
3. The P.S. to Minister (Industries)
4. All P.S. to Minister/Dy. Ministers/Minister for State
5. The Industries Commissioner, Udyog Bhavan, Gandhinagar
6. The Commissioner of Sales Tax, Ahmedabad
7. The Accountant General, (A/cs. & Entl), Ahmedabad/Rajkot
8. The Accountant General (Audit), Ahmedabad/Rajkot
9. All Departments of Secretariat (Office of the Chief Secretary)
10. All District Industries Centres
11. The Executive Director, Index-B, Gandhinagar
12. All Heads of Department under Industries & Mines Department
13. All Boards/Corporations under Industries & Mines Department
14. All Branches of Industries and Mines Department
15. The Select file

DISCONT. INC. SCHEME

TRUE COPY
ADVOCATE