

## RAJASTHAN

### SCHEMES FOR THE STATE OF RAJASTHAN

#### RAJASTHAN FINANCIAL CORPORATION LOAN SCHEMES

The section below gives the different schemes by Rajasthan Financial Corporation which help in development of MSME Export Related Activities. The details of the different schemes are given below. In case the scheme is of interest further details including Steps to avail the loan, Terms & Conditions, Required Documents & Forms can be downloaded from Rajasthan Financial Corporation website (<http://www.rfconline.org/>)

#### TOURISM RELATED ACTIVITIES

The Corporation has been granting financial assistance for Hotels, Restaurants, Drive-in-Cinemas, Multiplexes and Tourism related activities in Rajasthan.

#### **Purpose**

Assistance under the scheme is available for acquisition of following fixed assets and facilities depending upon the type of activities: a) Land, Building, Kitchen equipments, Office equipments including telecommunication network, air-conditioners, Interior decoration, Furniture & Fixtures, Conference Hall, Health Club, Swimming Pool, Indoor sports facilities, Shopping Arcade, Garden equipments etc. b) In case of restaurants set-up in commercial premises, assistance is available to acquire own premises.

#### **Gestation Period/Repayment Schedule**

Keeping in view the fact that in case of hotel projects, the occupancy generally remains low in the initial period, the installments of principal are fixed for lower amount in initial period giving a moratorium period of two years.

#### **Repayment Schedule**

Ist	and	IInd	Year	Nil(Moratorium	period)
3rd	Year	5%	of	the	Principal Amount
4th	Year	7.5%	of	the	Principal Amount
5th	Year	12.5%	of	the	Principal Amount
6th	Year	17.5%	of	the	Principal Amount
7th	Year	25%	of	the	Principal Amount
8th	Year 32.5% of the Principal Amount				

## SCHEME FOR TEXTILE INDUSTRY UNDER TECHNOLOGY UPGRADATION FUND (RTUF)

### **Objective**

To provide encouragement to textile industrial units in the small scale/medium scale sector for taking up technology up gradation and to modernise their production facilities.

### **Incentive**

The scheme envisages interest incentive of 5% points on the loans availed by small scale/medium scale units for under taking technology up gradation / modernization, however, for the spinning machinery the reimbursement will be four percentage points only.

1	The scheme will continue to provide a reimbursement of five percentage points on the interest charged by the lending agency on a project of technology up gradation in conformity with the Scheme. However, for the spinning machinery the reimbursement will be four percentage points only.
2	The scheme will continue to provide cover for foreign exchange rate fluctuation not exceeding 5%. However, for the spinning machinery the coverage will be 4%.
3	The Scheme will now provide an additional option to the power-looms units to avail of 20% Margin Money Subsidy under TUFs in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200.00 lakh and ceiling on margin money subsidy Rs. 20.00 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.
4	The Scheme will now provide 15% Margin Money Subsidy for SSI textile and jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200.00 lakh and ceiling on margin money subsidy Rs. 15.00 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.
5	The Scheme will continue to provide 5% interest reimbursement plus 10% capital subsidy for specified processing machinery.
6	The Scheme will now provide 5% interest reimbursement plus 10% capital subsidy for specified machinery required in manufacture of technical textiles and garmenting machineries. (However, the units which have taken the sanction prior to 31.03.2007 but not started the commercial production, to be certified by Chartered Engineer and Chartered Accountant, will be covered under the modified Scheme).
7	The Scheme will now provide interest subsidy/ capital subsidy/ Margin Money subsidy on the basic value of the machineries and exclude the tax component for the purpose of valuation in view of the decision for non- subsidizing the taxes.
8	The Scheme will provide 25% capital subsidy on purchase of the new machinery and equipments for the pre-loom and post-loom operations, handlooms/ up-gradation of handlooms and testing & Quality Control equipments, for handloom production units.

9	Certain imported second hand machinery have been permitted. The entire range of imported second hand machinery will now be ineligible under the Scheme for any benefit except automatic shuttle less looms with the value cap of Rs. 8.00 lakh per machine and 10 years vintage and with a residual life of minimum 10 years.
10	Other investments such as energy saving devices, effluent treatment plant, in-house R&D, IT including ERP, TQM including adoption of ISO/ BIS standards, CPP etc. (including non-conventional sources) as mentioned in Para 3.3(2) of the existing Scheme will now be eligible for benefits of the Scheme only upto 25% of the cost of machinery.
11	For a specific thrust to garmenting, machineries for CAD, CAM and design studios and likes will be included in the separate heading of the guidelines of the scheme with a financial cap to be determined by the Inter Ministerial steering Committee (IMSC) under the Chairmanship of Secretary(Textiles).
12	Investments like land, factory building, pre-operative expenses and margin money for working capital will now be ineligible for benefit of reimbursement under the scheme except meant for apparel sector and handloom with existing 50% cap. In case apparel unit is engaged in other activity, the eligible investment under this head will only be related to plant and machinery eligible for manufacturing of apparel.
13	The applicability of the modified provisions of the Scheme will be reckoned with the date from sanction of bank loan or commercial production, whichever is later. The date of indenting of machineries or procurement or import or delivery shall be immaterial to decide the applicability of the Scheme.

### Scope of the Scheme

The following activities will be covered under RTUF:

- i) Cotton Ginning and Pressing .
- ii) Wool Scouring combing & carpet industry .
- iii) Silk reeling and twisting .
- iv) Synthetic filament yarn texturising, crimping and twisting .
- v) Spinning .
- vi) Viscose filament yarn .
- vii) Weaving, knitting including non-woven fabric embroidery.
- viii) Garment/Made up manufacturing .
- ix) Processing of fibers, yarns, fabrics, garments and made ups.
- x) Technical Textiles including non woven.

### Operating period of the scheme

The scheme would be in operation from 01.11.2007 to 31-03.2012

**Promoter's Contribution**

Minimum 33% of the project cost

**Rate of Interest**

The Corporation shall charge interest rate as applicable from time to time under the scheme.

**ASSISTANCE FOR ACQUISITION OF ISO-9000 SERIES****Objective**

This scheme has been introduced to promote & encourage adoption of quality management system in SSI units with a view to strengthen their marketing ability and to enable them to acquire export capabilities . SSI units which have proven record of past performance are eligible for assistance, if they:

- Have been in operation for a period of at least two years.
- Have earned profit and/or declared dividend during the preceding two financial years.
- Not be in default to institutions/banks in payment of their dues.

**Purpose**

Expenses on consultancy, documentation, audit, certification fees, equipments and calibrating instruments required would be taken in to account for determining the loan requirement.

**Period of Repayment**

Normally not exceeding 5 years including moratorium upto one year.

**SCHEME FOR FINANCIAL ASSISTANCE FOR INFORMATION TECHNOLOGY****Objective**

To promote all type of projects/activities related to Information Technology. However, Educational/Training Institutes shall be outside the purview.

**Eligible Activities**

a) All activities related to Information Technology Sector including Cyber Cafe, Internet, E-commerce, Software development etc. except that of the Educational/Training Institutes (School/colleges etc. ) Software Development may be off shore packages. Off shore services

to cater the export sector. The activities like Data Processing, Consultancy, Turnkey projects, Product & Package etc. and also any other activity related to this sector may be considered on their merits.

b) Assistance may also be given under the scheme for development of infrastructure related to the Information Technology.

### **Promoter's Contribution**

Minimum 40% of the project cost

### **Repayment for Loan**

The amount shall be repayable within 6 years including moratorium period of 12 months.

### **Margin of Security**

Land and Building	30%
Plant & Machinery i.e. Hardware, Software and other equipments	40%
Registration fee	50%

### **Rate of Interest**

As applicable from time to time under the Scheme .

### **Collateral Security**

Collateral Security against plant and machinery (hardware & software) and also against fee etc. shall be required.

## **SCHEME FOR FINANCING ACTIVITIES RELATING TO MARKETING OF SSI PRODUCTS**

### **Objective**

To provide financial assistance to SSI units to undertake various activities necessary to increase their sales turnover in the domestic and export market.

To finance service providers which provide support services and/or infrastructure facilities to small scale sector to improve its marketing capabilities.

## **Eligible Borrowers**

Existing SSI units in the small scale sector with a good track record and sound financial position are eligible for assistance. New units could also be considered on a selective basis. Specialised organisations providing marketing assistance infrastructure and support services to industrial concerns in the small scale sector.

## **Purpose**

- For undertaking various marketing related activities such as
- Marketing Research.
- Advertising .
- Establishing distribution net-work including showrooms/ retail outlets etc.
- Development of infrastructure like setting-up of permanent exhibition centres including parks etc.
- Marketing support to SSIs like data bank, libraries, internet services etc.

## **Rate of Interest**

Interest rate as prevailing from time to time shall be charged.

## **Security**

Exclusive charge over the assets acquired out of the loan first/second charge on existing fixed assets and other collateral security as may be deemed necessary.

## **Period of Repayment**

This may vary between three to five years with a moratorium upto one year for term loans to SSIs. The period of repayment could be extended to 8 years for marketing related infrastructure projects.

## **VEGETABLE EXPORT PROMOTION SCHEME**

**Name of Scheme:** Rajasthan Agriculture Produce Sea Freight Subsidy Scheme

**Objective:** Agri Export Promotion

**Implementing Agency:** Rajasthan State Agricultural Marketing Board. Jaipur

**Area of Application:**

- Export of Agriculture commodity produced in Rajasthan State.

- Export fruits, vegetables and flowers of Rajasthan origin through Kandla Port sea port.

**Eligibility:** Cooperative Societies, Government organizations, Private Organizations, Farmers and Farmers' Group are eligible for the subsidy

**Amount of Subsidy:** Amount of subsidy will be 25% of the sea freight bill, subject to maximum of Rs. 50,000/- per bill and limited to Rs. 2.50 lac per year.

**Period:** Year 2008-09

**Submission of Application:** The exporter should apply for the subsidy within 90 days after unloading the goods at the destination, along with following documents –

- I) Copy of certificate of incorporation /articles and Memorandum of Association / Partnership deed of the Organization.
- II) Last three years audited statement of accounts
- III) I. E.C. No.
- IV) Bank Account
- V) Loading and unloading documents
- VI) Bill of lading
- VII) Any other document required by RSAMB from time to time.

**Limit of Subsidy:** Rs. 25 lac will be earmarked for subsidy under MDF. The subsidy will be released on "First Come First Serve" basis. The date of export and submission of document will be taken into consideration on release of subsidy, if applications for subsidy exceed the limit of Rs. 25 lac.

**Scheme will be implemented through Export Promotion Fund under MDF.**

**SUBSIDY SCHEME FOR VALUE AIDED UNITS**

Please visit the link <http://www.rajamb.com/subsidy%20scheme1.pdf> for details

**DEVELOPMENT OF EXPORT ORIENTED SPICE MARKET**

Keeping in view the potential of spice export from the state to boost up the export of seed spices and other spices products, the following KUMS of the state are being promoted exclusively for export marketing.

KUMS	Commodity
Merta city	Cumin
Jodhpur	Fenugreek, cumin, chilies.
Sumerpur / Rani	Fenugreek
Jaipur / Sikar	Fenugreek, cumin

Ramganj Mandi	Coriander
Pratapgarh	Dill Seed, Ajwain, poppy seed Gorlie and Fenngreek
Abu Road / Raedor	Fennel

### **Export & Post Harvest Management Activities**

An export & post harvest management cell has been created in the Rajasthan state Agricultural Marketing Board Jaipur for boosting up exports; promotion and development of post harvest management activities etc. the cell have been equipped with the Internet and Agri-Net connection to provide all the information with reference to Agri-Business.

### **EXPORT PROMOTION INDUSTRIAL PARK, JAIPUR – LAND ALLOTMENT**

Land Application Form may be obtained by remitting Rs. 150 vide DD in favour of "RIICO Ltd." Money can also be remitted in foreign currency equivalent to US \$ 5.00.

#### **For more details, contact :**

Sr. Regional Manager

EPIP, RIICO Limited, Sitapura, Jaipur, Rajasthan 302 022 INDIA

Phone : (91)(0141)-2770208, Fax : (91)(0141)-2770119

Email : [sitapura@riico.co.in](mailto:sitapura@riico.co.in)

### **MINERAL POLICY**

Marble, Granite, Kota stone, Dholpur stone, Soap stone, State stone, Schist, Wollastonite, Zinc concentrate, Felspar, Mica and Semi-precious stones have the potential for export. Most of these minerals are being exported even today, but the quantities are comparatively small, Apart from the need for improving their quality standards acceptable to foreign from the need for improving their quality standards acceptable to foreign markets, suitable incentives could be necessary to increase their export.

Following measures will be taken to promote export of minerals:

- (1) Fairs and exhibitions will be organised in the State, periodically, so that the type of minerals and decorative stones available in the State may have the desired publicity.
- (2) Visits to national and international trade fairs, exhibitions and seminars will be organised both, for potential exporters and Government functionaries. participation of lessees and entrepreneurs in such trade fairs, exhibitions and seminars is expected to give them an opening in the national/ international markets and provide a fillip to exports.
- (3) Priority will be given in the grant of mining leases to those who put up export oriented units in the State.
- (4) Facilities available at Ore Dressing Laboratory of Indian Bureau of Mines (IBM) located at Ajmer would be fully utilised. Request would be made to the Ministry of Mines, GOI to



suitably strengthen the laboratory for undertaking beneficiation studies and chemical analysis. The existing laboratory at Udaipur would also be strengthened.

(5) Efforts will be made to promote the use standard equipment for improving and maintaining quality standards suiting the requirements of the foreign buyers.

For Details Visit

<http://www.rajasthan.gov.in/rajgovt/actnpolicies/policypages/miniralpolicy.html>

### **THE STP SCHEME**

<b>Duty Free Imports</b>	No. import license is required .Import certificates are issued on request by Director STPI - Jaipur for Duty Free Imports of Capital Goods/Raw Material/Components.
<b>Excise Relief</b>	Excise exemption is available Goods bought from Domestic Market, on request from STPI-Jaipur.
<b>Income Tax Holiday</b>	Income tax holiday is available for STP units upto 31.03.2009.
<b>Foreign Equity</b>	Foreign equity upto 100% is allowed in STP scheme .
<b>DTA Sales</b>	The sales in domestic tariff area are permissible area are permissible upto 50% of the exports, in value term , made by the STP unit.
<b>Common Infrastructure</b>	Common infrastructure facilities such as Built-up Space , High Speed Data Communication link, power etc. are provided readily at IT Park, Sitapura Jaipur.

### **EXPORT OBLIGATION**

**Units in STP scheme have to fulfill export obligation as per guidelines of Department of Electronic , Government of India , as per the following formula :**

**Export obligation = 1.5 x CIF value of the hardware/software Imported, for (NET FE basis) which FE is released by Government of India +1.5x wage bill**

- The obligation on the hardware part will be fulfilled over a period of four years .
- The obligation on the wage bill is on annual basis .
- Net foreign exchange for this purpose is governed by the definition given in the Software Policy announced in December , 1986 which states :

**"Net foreign exchange earned for this purpose is defined as foreign exchange inflows as a result of software exports less foreign exchange outflows on account of expenditure , other than initial hardware and/or software import."**