

**GOVERNMENT OF RAJASTHAN
INDUSTRIES (Gr-I) DEPARTMENT**

No. F.5(7)Industries/I/2013

Date: 23/8/13

ORDER

Whereas a Memorandum of Understanding (hereinafter to be referred as MoU) has taken place between the State Government and the Honda Motorcycle and Scooter India Private Limited (hereinafter to be referred as HMSI) on the 11th May, 2010 for setting up two wheelers (motorcycle & scooters) manufacturing plant by HMSI in Rajasthan and whereas Clause "C (18) ((c))" of the MoU provides for payment of cash subsidy by the State Government to HMSI, now, therefore, the State Government hereby prescribes the following procedure for claim and disbursement of cash subsidy under the said MoU:

1. General Provisions:

- A.** Cash subsidy equivalent to 100% of output tax in respect of the sale of two wheelers (motorcycle & scooters) manufactured by the HMSI in the State and the amount of tax under CST Act, on interstate sale of such two wheelers (motorcycle & scooters) made by the HMSI shall be payable to HMSI. The subsidy on the sales made in the State shall be allowed, subject to the condition that the two wheelers (motorcycle and scooters) shall be registered in the State under the Motor Vehicle Act.
- B.** The maximum amount of subsidy shall be 100% of the total amount of output tax (es) that is VAT and CST or SGST (whenever introduced):
- (i) on account of sales within the State (VAT) and,
 - (ii) on account of sales in the course of inter state trade and commerce (CST);
of two wheelers (motorcycle and scooters) manufactured by HMSI in the State.

However, no subsidy shall be allowed on the sales made, in any manner, outside the State of Rajasthan.

- C.** The cash subsidy shall be available to the enterprise till the amount of subsidy reaches to 1/3rd (one third) of the total eligible fixed capital investment (as defined in MoU) made in the project during the first seven years, or for a period of fourteen years from effective date (as defined in MoU), whichever is earlier.
- D.** The subsidy allowed to HMSI under this clause shall be provisional and shall be recovered as arrears of land revenue along with the interest at the rate of 18% per annum;

- (i) Where HMSI fails to fulfill all the obligations mentioned in MoU; and /or
 - (ii) Where any overpayment of subsidy is found to have been made to HMSI by the Officer disbursing the subsidy; and /or
 - (iii) Where HMSI has obtained the cash subsidy by misrepresentation of facts or by furnishing false information.
- E. The subsidy shall not be allowed, of the amount of output tax, on the sales of two wheelers (motor cycle & scooters) by HMSI in the State to its subsidiaries and /or marketing wing and/ or its dealers, who disposes of said goods other than by way of sale within the State.

2. Procedure for determination of Eligible Fixed Capital Investment and issuance of Entitlement Certificate for grant of cash subsidy:

- (i) The amount of EFCI shall be determined by the State Level Screening Committee (hereinafter referred to as "SLSC") constituted under RIPS-2010, from time to time.
- (ii) For determination of EFCI, for the first time, HMSI shall submit an application in Form-A appended to this order, along with proof of investment duly verified by the Chartered Accountant, before the Member Secretary, SLSC within 90 days of the issuance of this order. However, the subsequent application for determination and increase in EFCI shall be submitted by HMSI in Form -C appended to this order, along with proof of additional investment duly verified by the Chartered Accountant, before the Member Secretary, SLSC, as and when required.
- (iii) The Member Secretary, SLSC shall place the application before the State Level Screening Committee within 45 days from the receipt of the application unless specifically extended for reasons to be recorded in writing.
- (iv) Where the application has been filed beyond the time period as provided in sub-clause (ii) above, the SLSC may condone the delay in filing of the application.
- (v) The SLSC after examination of application shall determine the amount of eligible EFCI and increase in EFCI, as the case may be.

After approval of EFCI by the SLSC, a "Certificate of Entitlement for grant of cash subsidy and determination of EFCI" shall be issued by the Member Secretary, SLSC:

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- (a) in the Form -B appended to this order, if the EFCI is determined for the first time; and
 - (b) in the Form-D appended to this order, if the EFCI is determined and increased in subsequent application;

and shall forward the copies to all concerned immediately but not later than seven days from the date of approval by the SLSC, unless specifically extended for reasons to be recorded in writing.

3. Procedure for disbursement of cash subsidy:

- (i) For disbursement of subsidy, HMSI after having received the Entitlement Certificate shall apply on quarterly basis in the Form -E appended to this order. However, initially single application for disbursement of subsidy may be submitted by HMSI for the quarters which have already fallen due before the issuance of Entitlement Certificate.
- (ii) After having received the application in Form-E, the Commissioner Industries shall verify from the Commissioner, Commercial Taxes, the amount of output tax and the tax under CST Act, 1956, if any, in respect of sale of two wheelers (Motor cycle and scooters) manufactured by HMSI in the State.
- (iii) The Commissioner Industries after having received the verification regarding the amount of output tax and the tax under CST Act, 1956, if any, in respect of sale of two wheelers (motor cycle and scooters) manufactured by HMSI in the State, shall pass an order for sanction of subsidy, and disburse the subsidy to HMSI through demand draft /pay order/cheque /ECS by remittance into the bank account of the HMSI.
- (iv) Commissioner Industries shall maintain the information related to eligible EFCI, subsidy disbursed and period availed/ balance in Form-F appended to this order.

4. Applicability of the provisions of RVAT Act, 2003, CST Act, 1956 and any Act regarding Goods and Service Tax, whenever introduced:

Provision of the Rajasthan Value Added Tax Act, 2003, the Central Sales Tax Act, 1956 and any Act regarding Goods and Service Tax, (whenever introduced) along with rules made there under shall be applicable for the purpose of this order.

- 5. Breach of condition:** In case of breach of any condition, the Officer disbursing the subsidy shall refer the matter to the State Empowered Committee constituted under section 3 of the Rajasthan Enterprises Single Window Enabling and Clearance Act, 2011 (Act No. 7 of 2011). After affording opportunity of being heard to the enterprise, where the said Committee is of the opinion that a breach of condition has been committed it shall order to the Officer disbursing the subsidy to recover the amount along with interest as provided under sub clause D of clause 1 of the package.

6. Authority for Interpretation and Review of modification of this order:

Any matter pertaining to interpretation of any clause of the order shall be referred to the Government of Rajasthan in the Industries Department. The decision of Industries Department in such matters shall be final. The State Government in Industries Department reserves the right to review or modify the order as and when required.

By Order of the Governor



(Purushottam Biyani)
Joint Secretary to Government

Copy forwarded to the following for information and necessary action :-

1. Superintendent, Government Central Press, Jaipur along with a soft copy in CD for publication of this order in today's extra ordinary Gazette. It is requested that 10 copies of this order may be sent to this Department and 20 copies with bill may be sent to Commissioner, Industries, Rajasthan, Udyog Bhawa, Tilak Marg, Jaipur. Please ensure that soft copy in CD is same as hard copy provided to you for publication.
2. Principal Secretary to Hon'ble Chief Minister (Finance), Rajasthan.
3. SA to Hon'ble Industries Minister, Rajasthan, Jaipur.
4. JS to Chief Secretary, Rajasthan, Jaipur.
5. PS to ACS, Industries, Rajasthan, Jaipur.
6. PS to Principal Secretary Finance, Rajasthan, Jaipur.
7. PS to Secretary Finance (Revenue), Rajasthan, Jaipur.
8. PS to Commissioner, Commercial Taxes Department, Rajasthan, Jaipur.
9. PS to Commissioner, Industries, Rajasthan, Jaipur.
10. PS to Managing Director, RIICO Ltd., Jaipur.
11. PS to Commissioner, BIP, Rajasthan, Jaipur.
12. Shri Sanjeev Saxena, Nodal Officer IT, Industries Department, Jaipur.
13. M/s Honda Motorcycle and Scooter Pvt. Ltd., Plot No. 1&2, Sector - 3, IMT, Manesar, Distt. Gurgaon (Haryana) - 122050.
14. Guard file.



Joint Secretary to Government

FORM-A

Application for Determination of Eligible Fixed Capital Investment (For first time)

To
The Member Secretary
State Level Screening Committee
(Constituted under RIPS-2010)

1.	Name of the applicant enterprise	M/s Honda Motor Cycle and Scooter India Limited
2.	Registration No.(TIN)	
3.	Address of the applicant enterprise	
4.	e-mail address	
5.	Branches or other place of business, if any	
6.	Effective date as defined in MoU	
7.	Total Investment made up to the date of application	
8.	Break up of Investment for EFCI	
	(a) Land and building	
	(b) Plant and machinery, equipments or apparatus	
	(c) Components, spares and accessories for the above	
	(d) Moulds, dies, fixtures, tolling etc.	
	(e) Processes, directly or indirectly related to (a) to (d) above.	
9.	Employment provided up to the date of application.	

I do hereby verify that all the above facts are true to the best of my knowledge and belief.

Encl: (i) Certificate of Chartered Accountant
(ii) Document in support of investment (Head wise)

Place:
Date:

Signature of applicant for and on behalf of the
Applicant Enterprise

FORM-B

Certificate of Entitlement for grant of cash subsidy & determination of EFCI

No.

Date

1.	Name of the Enterprise	M/s .Honda Motor Cycle and Scooter India Limited
2.	Registration No.(TIN)	
3.	Address of the enterprise	
4.	e-mail address	
5.	Branches or other place of business, if any	
6.	Amount of EFCI (determined by SLSC)	
7.	Effective date as defined in MoU	

This certificate shall be valid till the subsidy amount reaches 1/3rd (one third) of the total eligible fixed capital investment made in the Project during the first seven years; from the effective dated or for a period of fourteen years from the effective date, whichever is earlier.

This certificate may be amended by the issuing authority in case any error is found in determination of EFCI.

This certificate may be revoked by the issuing authority in case the applicant violates any of the conditions of the MoU.

Place

(Signature with seal)

Date

Member Secretary
State Level Screening Committee

FORM-C

**Application for Determination and Increase in Eligible Fixed Capital Investment
(Subsequent application)**

To
The Member Secretary
State Level Screening Committee
(Constituted under RIPS-2010)

1.	Name of the applicant enterprise	M/s Honda Motor Cycle and Scooter India Limited		
2.	Registration No.(TIN)			
3.	Address of the applicant enterprise			
4.	e-mail address			
5.	Branches or other place of business, if any			
6.	Total Investment made prior to this application			
7.	Total Investment made up to this application			
8.	Amount of additional investment made (7-6)			
9.	Break up of Investment at S.No.7 for EFCI and employment provided	1. Prior to this application	2. up to this application	3=2-1 Additional Investment
	(a) Land and building			
	(b) Plant and machinery, equipments or apparatus			
	(c) Components, spares and accessories for the above			
	(d) Moulds, dies, fixtures, tolling etc.			
	(e) Processes, directly or indirectly related to (a) to (d) above.			
	Employment provided			

I do hereby verify that all the above facts are true to the best of my knowledge and belief.

Encl: (i) Certificate of Chartered Accountant
(ii) Document in support of additional investment (Head wise)
Covered under this application.

Place: _____ Signature of applicant for and on behalf of the
Date: _____ Applicant Enterprise

FORM-D**Revised Certificate of Entitlement for grant of cash subsidy & determination of EFCI**

No.	Date:		
1.	Name of the enterprise	M/s Honda Motor Cycle and Scooter India Limited	
2.	Registration No.(TIN)		
3.	Address of the enterprise		
4.	e-mail address		
5.	Branches or other place of business, if any		
6.	Effective date as defined in MoU		
7.	Amount of EFCI determined by SLSC prior to this certificate		
8.	Amount of EFCI determined and increased by SLSC (on subsequent application of HMSI)		
9.	Total amount of EFCI determined by SLSC (7+8)		
10.	Break up of EFCI	Prior to this certificate	Increased by SLSC (on subsequent application of the enterprise)
	(a) Land and building		
	(b) Plant and machinery, equipments or apparatus		
	(c) Components, spares and accessories for the above		
	(d) Moulds, dies, fixtures, tolling etc.		
	(e) Processes directly or indirectly related to (a) to (d) above.		
11.	Employment provided up to ----- (mention date of application)		

This certificate shall be valid till the subsidy amount reaches 1/3rd (one third) of the total eligible fixed capital investment made in the Project during the first seven years; from the effective date or for a period of fourteen years from the effective date, whichever is earlier.

This certificate may be amended by the issuing authority in case any error is found in determination of EFCI.

This certificate may be revoked by the issuing authority in case the applicant violates any of the conditions of the MoU.

Place

(Signature with seal)

Date

Member Secretary
State Level Screening Committee

FORM-E

Application for Disbursement of Cash Subsidy

To
The Commissioner
Industries Department
Udyog Bhawan,
Tilak Marg, Jaipur

1.	Name of the applicant enterprise	M/s Honda Motor Cycle and Scooter India Limited
2.	Registration No.(TIN)	
3.	Address of the applicant enterprise	
4.	e-mail address	
5.	Branches or other place of business, if any	
6.	No. and date of Entitlement Certificate or revised Entitlement Certificate as applicable	
7.	Subsidy applied for the quarter(s) (period)	
8.	Date of filing of return for the relevant quarter(s) with Commercial Taxes Department	
9.	Amount of output tax for the quarter (VAT+CST/SGST)	
10.	Amount of output tax which has accrued due to sale of goods manufactured under the MoU [(VAT+CST)/SGST]	
11.	Amount of output tax on sale of goods covered under sub - clause E of clause 1 of the order [(VAT+CST)/SGST] (not eligible for subsidy)	
12.	Amount of output tax eligible for subsidy (10-11)	
13.	Amount of investment made up to the quarter	
14.	Number of persons employed up to the quarter	
15.	Eligible fixed capital investment made in the Project during the first seven years or up to the quarter if the period is less than seven years (as per latest entitlement certificate)	
16.	1/3rd (one third) of the amount mentioned at S. No.15	
17.	Total subsidy availed upto previous quarter	
18.	Amount of eligible subsidy for the quarter to be disbursed (minimum of amount at S.No.12 and the difference of amount at S. No.16 and 17 provided the amount at S. No.17 is less than amount at S.No.16)	

I have enclosed the proof of deposit of tax as hereby verify that all the above facts are true to the best of my knowledge and belief.

Encl: Proof of deposit of Tax (VAT/CST/SGST)

Place:

Signature of applicant for and on behalf of the

Date:

Applicant Enterprise

FORM-F

Register regarding investment, employment and subsidy
(to be maintained by Industries Department)

1.	Name of the beneficiary enterprise	M/s Honda Motor Cycle and Scooter India Limited
2.	Entitlement Certificate number and date	
3.	Minimum limit of investment	As per MoU
4.	Minimum limit of employment	As per MoU
5.	Time and period for investment and employment	As per MoU

Part-B (Information regarding investment, employment and subsidy)

S. No.	Year	Quarter	Investment made during the quarter	Investment made up to the quarter	Employment provided during the quarter	Employment provided up to the quarter	Eligible fixed capital investment made in the project up to the quarter	Total amount of eligible subsidy (1/3rd of 8)	Subsidy availed up to the previous quarter	Amount of subsidy disbursed for the quarter	Total amount of subsidy availed up to the quarter
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1.	I	1st									
2.	I	2nd									
3.	I	3rd									
4.	I	4th									
5.	II	1st									
6.	II	2nd									
7.	II	3rd									
8.	II	4th									
9.	III	1st									
10.	III	2nd									
11.	III	3rd									

Part C (Information to be maintained after 7th year, if eligible for subsidy under MoU)

Note: The cash subsidy shall be available to the enterprise till the amount of subsidy reaches to 1/3rd (one third) of the total eligible fixed capital investment (as defined in MoU) made in the project during the first seven years.

1/3rd (one third) of the total eligible fixed capital investment (as defined in MoU) made in the Project during the first seven years	
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Information Regarding Disbursement of Subsidy

S. No.	Year	Quarter	Subsidy availed up to the previous quarter	Amount of subsidy disbursed for the quarter	Total amount of subsidy availed up to quarter
1.	2.	3.	4.	5.	6.
1.	VIII	1st			
2.	VIII	2nd			
3.	VIII	3rd			
4.	VIII	4th			
5.	IX	1st			
6.	IX	2nd			
7.	IX	3rd			
8.	IX	4th			
9.	X	1st			
10.	X	2nd			
11.	X	3rd			
12.	X	4th			
13.	XI	1st			
14.	XI	2nd			
15.	XI	3rd			
16.	XI	4th			
17.	XII	1st			
18.	XII	2nd			
19.	XII	3rd			
20.	XII	4th			
21.	XIII	1st			
22.	XIII	2nd			
23.	XIII	3rd			
24.	XIII	4th			
25.	XIV	1st			
26.	XIV	2nd			
27.	XIV	3rd			
28.	XIV	4th			