

**INCENTIVES TO ENCOURAGE PURCHASES FROM LOCAL
SUPPLIERS SCHEME, 2017**

1. Short title and commencement:

1.1 This Scheme shall be called the **INCENTIVES TO ENCOURAGE PURCHASES FROM LOCAL SUPPLIERS SCHEME, 2017**, and shall be governed by the Goa State Incentives to Encourage Investments Scheme, 2017 (Umbrella Scheme). This scheme shall come in force with effect from 1st October 2017, and shall remain in force up to 30th September 2022.

2. Objectives:

2.1 To encourage consumption through local purchases.

2.2 To encourage economies of ancillary units, local MSMEs as also traders including those in Horticulture business/Food Processing.

3. Eligibility:

3.1 Only those units under white, green and orange category shall be eligible under this Scheme.

3.2. The micro, small and medium manufacturing units purchasing minimum 50% (in value) of its raw material/ component/ tools etc (input requirement for production) from local sources/ manufacturers shall be eligible for the benefit.

Note: -The items listed in the 'negative list' (schedule 'A') shall not be included.

4. Calculation of Subsidy:

4.1 Once a unit becomes eligible under this Scheme, it shall be considered for reimbursement to the extent of 2% of the cost of local purchases consumed by such unit to the maximum of Rs 5.00 lakh per year. For

purpose of this scheme, value excluding GST shall be considered. Application to this effect for the financial year shall be made by the end of December of the subsequent financial year.

Note—For the purpose of this Scheme, the local purchases mean every industrial input, including consumables, purchased from Goa (whether manufactured in Goa or not) except service.

4.2 The unit may avail benefit under this scheme for five consecutive years from the date of first application.

Example: Assuming that a unit of turnover of Rs 5.00 Cr purchased 50% of its eligible industrial input from local sources, the subsidy shall be calculated as follows:

<i>Turnover of the unit</i>	<i>Rs 5.00 Cr</i>
<i>Total cost of purchase of industrial input (local + outside state + ineligible)</i>	<i>Rs. 2.00 Cr</i>
<i>Minimum expenditure on eligible Local industrial input purchased (to be eligible for subsidy)</i>	<i>Rs. 1.00 Cr</i>
<i>Ineligible items – not to be considered in cost of purchases of raw material</i>	<i>As in Schedule A</i>
<i>Items eligible for reimbursement</i>	<i>The cost of every industrial input, including consumables, purchased from Goa (whether manufactured in Goa or not) except service.</i>
<i>Subsidy</i>	<i>2% of the cost of eligible Local industrial input= Rs. 2,00,000/- Since the subsidy is calculated as 2% of the cost of eligible Local industrial input Rs 5.00 Lakh, whichever is less, the unit shall be granted a subsidy of Rs. 2,00,000/-</i>

4.3 The benefits under this scheme are subjected to budgetary allocation. No Promissory Estoppel shall be applicable if benefits are discontinued in case allocation is exceeded.

5. Procedure to file claim:

5.1 After closure of every financial year, the unit shall apply in specified format to the Directorate of Industries, Trade and Commerce (DITC), along with following documents.

- (i) A self-attested copy of registration under Umbrella Scheme;
- (ii) Affidavit/Self Declaration in the format provided;
- (iii) Self certified copies of bills of purchase from local sources;
- (iv) Statement of local purchases along with vouchers bearing GST payment details (State component); as applicable;
- (v) Final Accounts of the claim year;
- (vi) A statement certified by Chartered Accountant stating that payment towards purchases has been affected, that the purchases are made locally within Goa and have been used as raw material for the purpose of manufacturing by the applicant unit; and all such items covered in clause 4.2.

SCHEDULE “A”

The items listed in the following schedule shall not be considered eligible as “local raw material” for the purpose of this scheme:

Sr. no.	Particulars
1	Natural resources (eg: water, air and the like)*
2	Major and Minor minerals (eg: ore, sand, etc)*
3	Alcoholic beverages
4	Tobacco and tobacco products

**The list given above is only indicative, not exhaustive.*

