



Glass and Ceramic Complex

Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO)

**BY CRISIL Risk And Infrastructure Solutions Limited.
(CRIS)**

29th September, 2012

Agenda



1. CRIS PROFILE

2. PROJECT PROFILE

3. MANUFACTURERS INTEREST

4. MANUFACTURERS SUGGESTIONS

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2. PROJECT PROFILE

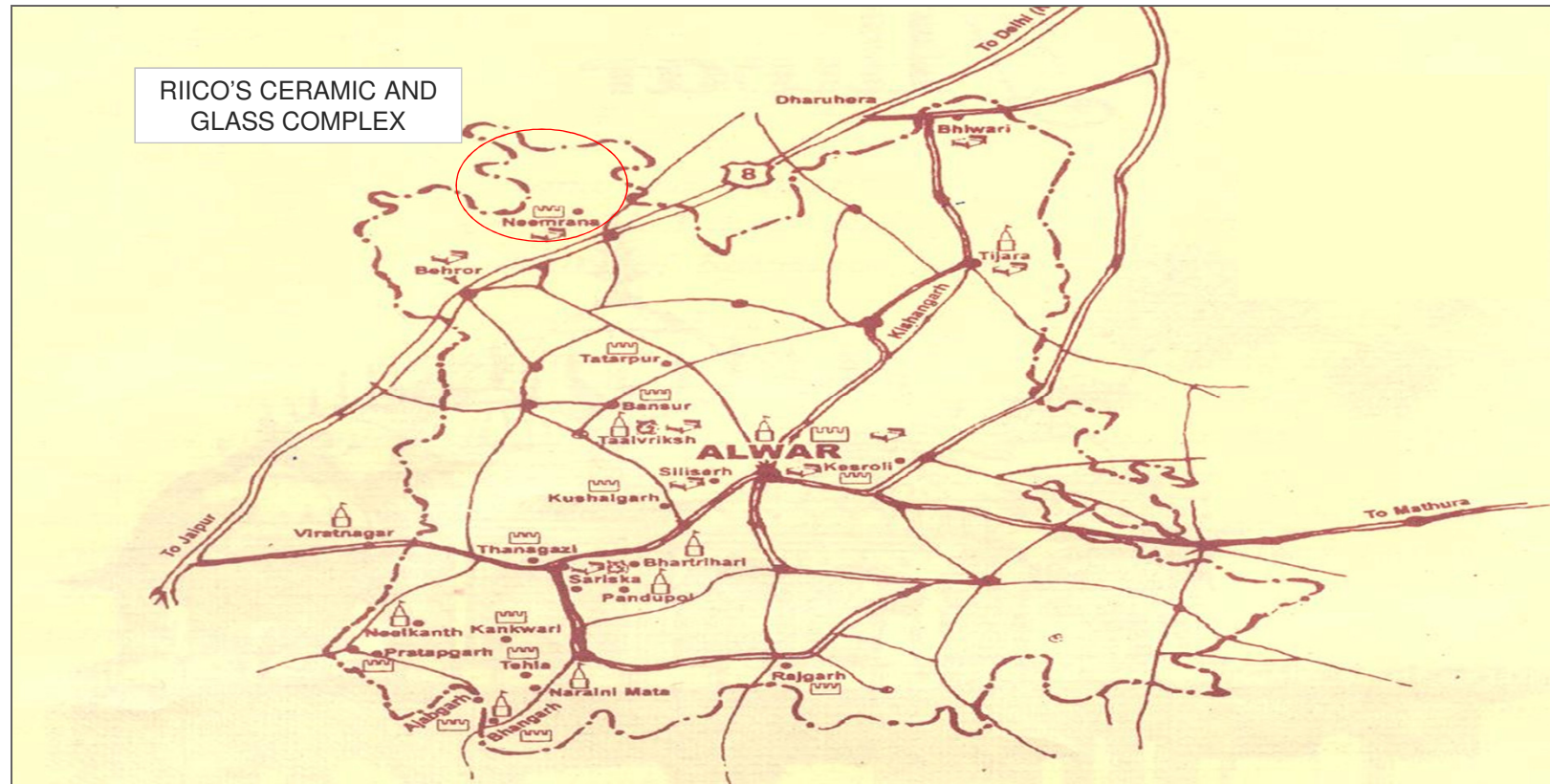
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Back Ground of the Project

Background

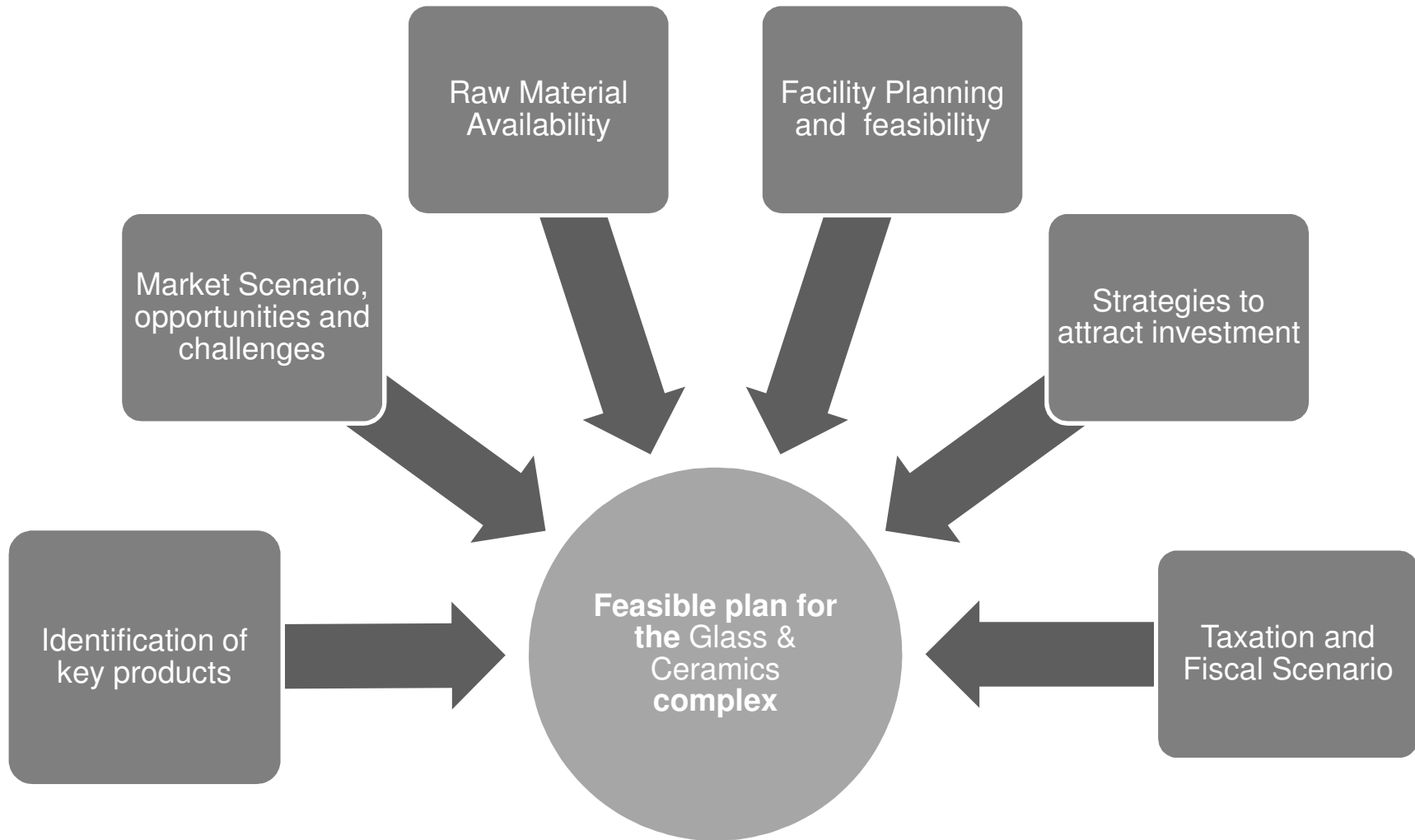
- **Rajasthan State Industrial & Investment Corporation (RIICO)**, a state agency, plans to set up a Glass and Ceramics complex at Giloth, Rajasthan.
- The complex, covering an area of 750 acres, will be set up for Glass & Ceramics based industries.



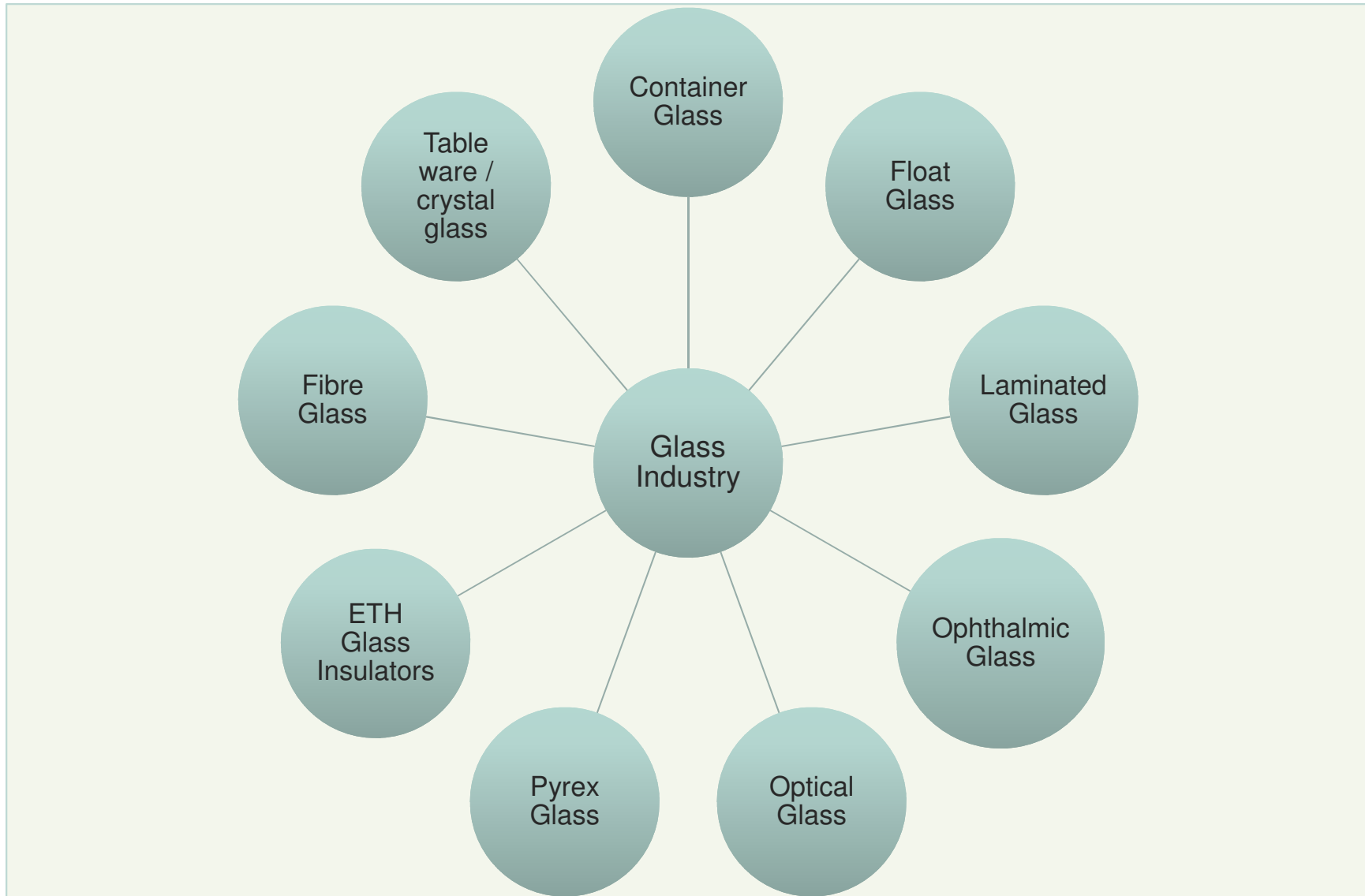
Purpose of study by CRIS

- Before making the investment decision, RIICO wants to
 - Understand the present market scenario for the Glass & Ceramics sector – Global, national and regional (Rajasthan)
 - Identify the opportunities and challenges in the sector
 - Plan the facilities and its layout for the complex
 - Understand the taxation and fiscal scenario for the sector
 - Develop strategies to attract investment to the complex

Focus areas



Glass Industry- Key products



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Rajasthan: A Strategic location...



DEMAND CENTRE

- With proximity to Delhi, a part of the State is located within National Capital Region (NCR) which is a well known established industrial hub.
- Good quality of life in the region indicates huge residential and commercial demand.
- This proximity provides immediate access to a huge consumer market.

SUPPLY CENTRE

- Rajasthan is endowed with rich reserves of glass raw materials materials.
- Rajasthan produces nearly 14% of silica sand.
- 62% of the total feldspar resources in India are found in Rajasthan
- Alwar, Bharatpur, Bundi, Chittorgarh, Dausa, Bhilwara, Bikaner and Sikar for know for quartz silica sand
- Bhilwara and Ajmer District are known to have glass grade feldspar

.....is keen on developing competitive advantage for investors.



Logistics- Dedicated land parcel at Giloth for Ceramic and glass sector

- Integrated Corridor Development- GOI has planned to set up a Dedicated Freight Corridor between Delhi and Mumbai. It is expected to be completed and commissioned by 2016.
- Giloth, a dedicated 750 acre Ceramic and glass Industrial zone, near Neemrana (in Alwar district) will be a part of DMC (Delhi Mumbai Corridor).
- Jaipur, Alwar, Kota, Bhilwara, Dausa, Pah, Sikar and Sirohi areas will benefit from the project

Skilled and relatively low cost labor with a history of good industrial relations

A Supportive Government....

- Generating higher levels of economic growth and prosperity through increase private sector investment is top priority for the State of Rajasthan.
- A few government initiatives to increase/ facilitate investments are:

Single Window investment clearance

- Time bound approvals and clearances
- Online submission of application
- For projects of more than 1 crore, it is mandatory to submit application only through this system to render transparency to the system.

Rajasthan Investment Promotion Scheme 2010

- 50% exemption from payment of Electricity duty;
- 50% exemption from payment of land Tax;
- 50% exemption from payment of Stamp duty on purchase or lease of land and construction/improvement on such land;
- 50% exemption from payment of conversion charge payable for change of land use.
- The exemptions have been announced for seven years for payment of Electricity duty, and Land Tax.

.... facilitating Glass and Ceramic sector in Rajasthan



Special Incentive package

- A special incentive package duly customized for the promotion of Glass & Ceramics sector has been announced.
- The package shall be applicable to the following class of enterprises:
 - New Enterprise
 - Existing enterprise making investment for modernization/expansion
 - Existing enterprise making investment for diversification in glass and/or ceramic industry.
 - Minimum investment to be eligible under the package shall be 50 crore

Subsidies

- Maximum amount of subsidy shall be 75% of the total amount of taxes that is GST, VAT and CST or SGST (as and when applicable) which have become due and have been deposited into the government exchequer.
- Investment subsidy to all eligible investors of an amount equal to a maximum of 70% of the tax deposited, without any linkage with payment of interest and wages.
- Employment generation subsidy to a maximum of 5% @ Rs.15000 per employee / annum. For women, SC/ST and persons with disability this amount has been enhanced to Rs.18,000 per employee/annum.

Glass and Ceramic complex- Key highlights

RIICO has come up with a public notice on reservation of land in the Glass & Ceramics complex.

Applications for reservation of land is only for projects with fixed capital investment for Rs. 50 crores or more.

Reservation is up to 50% of the total area. Rest of the area is for medium and small entrepreneurs on firm come first serve basis .

Interested entrepreneurs are requested to apply for reservation of land through single window clearance system with 10% keenness money.

To calculate the keenness money per square meter rate of the Glass & Ceramics complex is INR 2000/-.

Final rate of allotment of land shall be decided at the time of land allotment.

Continued...

Reservation letter for applied land will be issued subject to validation of the presumption of the application about the land requirement, likely investment in the proposed project, suitability of the proposed project in the area and on approval by the competent authority.

RIICO gives special discounts for big plots, which are as follows :

- 10% discount on per sq meter rate for plot size equal to or more than 10,000 sq meters/
- 0.5 % discount on per sq meter rate for every additional 1,000 sq meters to a maximum discount of 25%.

RIICO has applied for Environmental and Forest clearance for the complex and approval are expected in about 3 months time.

RIICO would be responsible for building and maintenance of common facilities and infrastructure required

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Suggestions from you...!!

Taxation Policies/Benefits

- Required on Glass raw materials, fuels & other inputs, and finished products.

Incentives, Concessions and Facilities

- For units in the complex, as required by manufacturers.

Share your knowledge on...

- **Key products in Glass industry.**
- **Demand supply situation in Glass industry.**
- **Key business drivers (demand-supply) in Glass industry.**
- **Your long term and short term view on the sector? (challenges & opportunities)**
- **Growth strategies for the segment.**
- **Critical legal and technical aspects involved in supply of tiles to OEMs. (Domestic and Indigenous)**

THANK YOU FOR YOUR TIME..!

WE LOOK FORWARD FOR YOUR CO-OPERATION



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