

**GOVERNMENT OF ASSAM**  
**FINANCE (INSTITUTIONAL FINANCE) DEPARTMENT**  
**DISPUR: GUWAHATI**

**ORDER BY THE GOVERNOR OF ASSAM**  
**NOTIFICATION**

Dated Dispur the 6<sup>th</sup> November 2020

**No.FIF.68/2019/147:** To ensure long term financial sustainability of the Tea industry, in consonance with the Budget announcement, 2020, the Governor of Assam is pleased to issue the following guidelines for implementation of the Scheme "**Assam Tea Industries Special Incentives Scheme (ATISIS), 2020**".

**1. Rationale of the Scheme:**

Assam produces both CTC and Orthodox tea and in some small quantity Speciality Tea. The average share of Orthodox and Speciality tea production is just about 11% of the total tea produced, and CTC production is about 89%. CTC tea is mainly consumed in domestic market while Orthodox and Speciality tea is exported to other countries.


For tea sold across all the auction centres in India, the average price realization of Orthodox tea is higher than the CTC tea. Overall, the per kilogram cost of manufacturing Orthodox tea is higher than CTC by Rs. 25-30 per kg, or roughly 20-25%.

To increase Orthodox production, the manufacturers have to be incentivized, to move from CTC to Orthodox tea as the cost of production of Orthodox is substantially higher than the cost of production of CTC tea, and also because the cost of production of Orthodox Tea, in India, is higher than other Orthodox manufacturing countries, which makes our orthodox tea unviable in the International Market.

**2. Scheme:**

Assam Tea Industries Special Incentives Scheme (ATISIS), 2020 has four components :

- i. Interest Subvention on Working Capital.
- ii. Orthodox or Speciality Tea Production Subsidy.

  
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- iii. Subsidy for Orthodox & Speciality Tea Unit for Plant & Machinery.
- iv. Agricultural Income Tax Holiday.

### **3. Eligibility Criteria:**

This Scheme will be applicable to the following eligible units:

3.1 Tea Plantations across all sizes

3.2 Tea Manufacturing units, manufacturing either of the following:

- i. CTC Tea
- ii. Orthodox Tea
- iii. Speciality tea including Green tea, Oolong Tea, White tea, Yellow tea and Purple tea

3.3 The Scheme will be applicable only to the units located in Assam. If any part of the plantation or manufacturing facility is located outside the State of Assam, the unit will not be considered an eligible unit.

### **4. Time Period of Benefit:**

This Scheme is applicable for a period of three year starting from 1st April, 2020 till 31st March, 2023. In case of Agricultural Income Tax Holiday, the benefit will be from financial year 2019-20 to 2021-22.

### **5. Benefits Available:**

**5.1 Interest Subvention on Working Capital:** An interest subvention of 3% p.a. will be provided on Working Capital Loan, subject to the following:

- 5.1.1 The loan should be taken from a Scheduled Commercial Bank or a Public Financial Institution
- 5.1.2 The Working Capital Loan should be taken for activities directly related to plantation or manufacturing of Tea.
- 5.1.3 The Working Capital should be sanctioned or renewed on or after 1st April of the financial year for which claim is to be made i.e. 2020-21, 2021-22, 2022-23.
- 5.1.4 For claiming interest subvention under this clause, the loan accounts on the date of filing claim should not have been declared as NPA as per RBI guidelines. Also, no interest subvention shall be admissible for any period during which the account remains NPA.


- 5.1.5 If any interest subsidy has been availed by the borrower under any other scheme, benefit cannot be claimed under this Scheme. A self-attestation in this regard is to be submitted.
- 5.1.6 The maximum amount claimable under the interest subvention Scheme per annum per unit (garden) is Rs. 20 lacs, for interest on working capital.
- 5.1.7 The claim for this subsidy has to be made on the completion of every financial year.
- 5.1.8 The interest subsidy will be limited to the interest charged for the 3 financial years 2020-21, 2021-22 and 2022-23.
- 5.1.9 If a unit has more than one Working Capital loans, interest subsidy can be claimed for only one such account.

**5.2 Orthodox or Speciality Tea Production Subsidy:** An industrial unit manufacturing Orthodox tea / Green tea / White tea / Oolong tea / Singhpo tea / Purple Tea / Yellow tea or other Speciality tea (not manufactured through CTC (Crush, Tear, Curl) process will be eligible for a subsidy of Rs. 7 per kg against such tea manufactured in a financial year, subject to the following conditions:

- 5.2.1 This subsidy will be provided in addition to any other subsidy claimed by the eligible unit from the Tea Board of India or any other agency.
- 5.2.2 The Scheme will only be applicable for all the grades of Orthodox tea / Green tea / White tea / Oolong tea / Singhpo tea / Purple Tea / Yellow tea or other Speciality tea (not manufactured through CTC process) on or after 1st of April, 2020.
- 5.2.3 The subsidy will be limited to the financial years 2020-21, 2021-22, 2022-23. The claim for this subsidy has to be made online latest by 31st May on completion of every financial year.
- 5.2.4 The monthly e-return of tea production submitted by the manufacturer to the Tea Board India for the year will be the basis for assessment of subsidy to the units.

**5.3 Subsidy for Orthodox & Speciality Tea Unit for Plant & Machinery:** A subsidy of 25% of the cost of Plant & Machinery of orthodox or any other Speciality tea will be provided subject to the following conditions:

- 5.3.1 This subsidy can be claimed by manufacturing unit of Orthodox tea / Green tea / White tea / Oolong tea / Singhpo tea / Purple Tea / Yellow tea or other Speciality tea (not manufactured through

  
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