

Gujarat Industrial Policy 2015
Scheme for Financial
Assistance to Industrial Park

Government of Gujarat
Industries and Mines Department
Resolution No.GID-102015-893580(1)-G
Sachivalaya, Gandhinagar
dated 21.4.2015

Read: (1) Gujarat New Industrial Policy 2015.

1.0 Preamble

Today, Gujarat's economy has reached a critical size which is strong platform to launch itself on an accelerated and high growth trajectory. A state's competitive economic advantage clearly depend on strong articulated vision for industrial and infrastructure development. In recent years, the state government has taken up many initiatives for creation of new infrastructure in industrial areas and estates.

The Government intends setting up of Industrial Parks is one of the important infrastructure component for Industrial development. Gujarat Industrial Development Corporation (GIDC) has played pivotal role in this regard developing 186 GIDC estates all across Gujarat State.

The need to develop new industrial estates for focus sectors has been felt to promote sector-specific economic activity and generate employment. The new industrial policy provide assistance for development of basic infrastructure like power, water supply, roads in the new estates. The State Government is encouraging participation of private sector for setting up small estates and specialized Industrial Parks. The new industrial policy emphasizes on continuing the financial assistance for Industrial parks to accelerate the investment in a planned manner by providing plug & play facilities to investors

A Task Force was constituted to review existing schemes under the 2009 Industrial Policy. Task Force analyzed impact of schemes, had discussions with Industries Associations and came out with suggestions for necessary modifications. Task force recommended to extend some more incentive for development of Industrial parks in Gujarat.



RESOLUTION:

In view of the strategy under New Industrial Policy the Government is pleased to introduce a "Scheme for Assistance to Industrial park"

1.0 The Scheme

The scheme will be known as "Financial Assistance to Industrial Park" which will come into force from 1st January 2015 and will remain in operation for a period of five years.

2.0 Definitions

2.1 Institution

Institution means any Industries Association / any enterprise registered under the Societies Act, Partnership Act or the Companies Act or SPV constituted for setting up of Industrial Park. Such institution will be eligible to avail assistance under the scheme for setting up of Industrial Park. In case of park having more than 100 hectares area, the Institution will be allowed to develop park with co-developer during the development of Industrial Park.

2.2 Industrial Park

Industrial Park means an estate which is developed in minimum area of 20 Hectares for establishment of minimum 10 industrial units to manufacture any product or service and having basic infrastructure facilities such as developed plot, internal roads, water distribution facilities, sewage, power distribution, communication facilities, Hostel for workers and such other facilities/services as may be required.

Industrial Park above 100 hectares will be facilitated and assisted by government in peripheral external link infrastructure like road, facilities for drawl of water, drawl of power including substation, gas and effluent disposal etc.

In case of park having more than 100 hectares area, the Institution will be allowed to develop industrial park with co-developer with prior permission of SLEC.

The Industrial Park will be treated as bonafide industrial user of land and eligible to obtain permission under Gujarat Tenancy and Agriculture land Act (63 AA), such industrial park can allot the plot/shed to industrial project.



2.3 Co-Developer:

Co-developer means individual or legal entity who intends to participate in development of Industrial park with requisite capability of fund participation/technical skill/expertise in creation of infrastructure of Industrial Park. The co-developer will also be responsible for development of Industrial Park.

GIDC may consider to enter into JV with developer of Industrial Park through transparent process to facilitate the Industrial project for allotment of land in Industrial park. The modality of JV shall be approved by the SLEC before entering into JV with GIDC.

2.4 Eligible Fixed Capital Investment

2.4.1 New Building

The cost incurred for New Buildings constructed in the industrial park for providing specific infrastructure facilities/service to the units located in the park will be eligible. For the purpose of eligible cost the SLEC will fix the norms for construction cost of these Infrastructural facilities.

2.4.2 Other Construction

Other construction includes facilities like boundary wall and other related infrastructure within the park as may be required to facilitate the units located within the park and as approved by the SLIC, will be eligible. The eligible cost of construction of such infrastructures will be worked out in accordance to relevant SOR norms of GIDC/Govt. However the SLEC may review the norms for construction cost of these Infrastructural facilities in accordance to the location, area of Industrial Park and type of industrial park.

2.4.3 Infrastructure Facilities

Infrastructure facilities will include such as internal roads, substation to draw power for requirement of park, power distribution lines, communication facilities, water distribution lines and water augmentation facilities, sewage and drainage lines, effluent treatment and disposal facilities and other facilities as may be required in the Industrial Park. The expenditure incurred for such infrastructure development only will be considered as eligible investment. The eligible cost of construction of such infrastructures facilities will be worked out in accordance to norms fixed by SLEC for such construction.



2.5 Ineligible Expenses

Expenditure incurred towards cost of land, goodwill fees, commissioning fees, royalty, preliminary & pre-operative expenses, interest capitalized, transportation equipment's/vehicles, technical fees/consultant fees, working capital and not specifically expressed as eligible investment or any other expenditure specified by the State Level Approval Committee will not be eligible for any assistance.

2.6 Project Completion

Industrial Park as approved by the Committee should be completed within period of 5 year, 7 year, and 10 year for 20 hectares, 50 hectares, 100 hectares or more respectively from the date of approval of project by the Committee.

However, the request for extension of period for completion of the project will be considered by SLEC on merit of the reasons of delay, if any.

3.0 Quantum of Assistance

3.1 Industrial Park

Industrial Park will be provided financial assistance @ 25% of eligible fixed capital investment in building and infrastructure facilities (except land cost) maximum upto Rs. 30 crores.

In addition, the Park will be provided financial assistance @ 25% of cost of Hostel/ Dormitory Housing for domicile workers maximum upto Rs. 20 crores, if prior approval of the Committee for hostel/Dormitory housing for domiciled workers of the project is obtained.

3.2 Stamp Duty

The Institution developing the industrial park shall be eligible for reimbursement @ 100 % of stamp duty paid on purchase of land as required for approved project by SLEC.

Individual units located in the Industrial Park will be eligible for reimbursement @ 50% of stamp duty paid by them on purchase of plot in the Industrial park.



4.0 Procedure and other Conditions

- 1) The industrial park/ estate should be developed in at least minimum an area of 20 hectares.
- 2) The layout plan shall have to be approved by concerned authority.
- 3) The industrial park/ estate shall have at least minimum 10 units in first 20 hectares and minimum 2 units for each additional area of 5 hectares or part thereof.
- 4) Approval of SLEC for setting up of Industrial Park including housing facilities shall have to be obtained before commencement of the work at site. The project under execution will not be eligible for any assistance under this scheme.
- 5) Priority will be accorded to industrial parks which are being set up in the land allotted by GIDC or in closed textile mills /closed industrial units.
- 6) The industrial park shall be eligible to avail incentive under Government of India, if eligible.
- 7) The Institution developing Industrial Park availing incentive under the scheme will not be entitled to avail assistance under any other scheme of State Government, unless and otherwise specified under that scheme.
- 8) The enterprise setting up project in the Industrial Park will be eligible to avail assistance or incentive under other schemes of the State Government for individual enterprise.
- 9) The institution will be required to provide infrastructure at concessional rate to the extent of incentive received under the scheme.
- 10) The institution setting up the Industrial Park will have to manage, maintain and operate common infrastructure created as a part of Industrial park for minimum 5 years after its completion. Otherwise, the incentive granted will be recovered from Institute as arrears of land revenue under the Land Revenue Laws.
- 11) If the institute fails to complete Industrial Park within prescribed period, will attract action of recovery of incentive already disbursed including reimbursement of stamp duty.
- 12) The disbursement of assistance will be made @ 25%, and @50% based on expenditure incurred at least by @50% and @ 75%



respectively and final payment will be made after completion of the Industrial Park.

- 13) Terms and conditions as decided by SLEC from time to time shall be applicable to the Institution developing the Industrial Park.
- 14) Industries Commissioner will prescribe procedure and guidelines in this regard.
- 15) The application under the scheme shall be submitted to Industries Commissionerate which will be placed after due scrutiny the Committee for its decision.

5.0 Previous scheme and Pipeline cases

- 1) Previous scheme means a scheme of assistance to Industrial Park declared vide resolution no. BJT/1008/626/Part-I/G dated 20/10/2011 and as amended time to time.
- 2) The Institution which has obtained registration under the previous scheme for setting up Industrial Park and project is under pipeline shall continue to avail assistance under previous scheme. However, option will be available to such registered Industrial Park to opt under this scheme subject to eligibility will be only for the fixed assets acquired and paid after commencement of this scheme i.e after 01/01/2015, any advance payment made towards the acquisition of any assets prior to 01/01/2015 will also not be eligible.

6.0 Committees for Approval of project and sanction of assistance

6.1 State Level Empowered Committee

State Level Empowered Committee consisting of following members is constituted for approval of project and quantum of assistance under the scheme.

Hon. Minister in charge of Industry	Chairman
PS/ Secretary (Industries)	Member
PS/ Secretary (Finance)	Member
PS/Secretary (R&B)	Member
Industries Commissioner	Member
VC&MD, GIDC	Member
Add./Jt. Industries Commissioner	Member -Secretary



- 6.2 Approval of the Industrial Park and assistance shall be accorded by SLEC.
- 6.3 In case of any issue regarding interpretation of the scheme, the State Level Committee will be the authority to give clarification / decision, keeping in view the objective of the scheme, which will be final & binding to all the concerned.

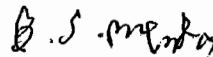
7.0 Budget Provision

The expenditure on this account will be met from the sanctioned grant of the respective financial year under the following Budget Head:

Demand No.49
Major Head; 2852-Industries
Minor Head (8000) other expenditure
Sub Head (22)
IND (3) -Development of infrastructure facilities
Grant -in-aid (C) to others

This issues with the concurrence of Finance Department vide note dt. 16.3.2015 on this department file of even number.

By order and in the name of Governor of Gujarat,


(B.S.Mehta)
Deputy Secretary
Industries and Mines Department

Copy to

- 1 Secretary to Hon'ble Governor of Gujarat*
- 2 Principal Secretary to Hon. Chief Minister*
- 3 Personal Secretary to all Hon. Ministers
- 4 Advisor to Hon. Chief Minister
- 5 Under Secretary to chief secretary
- 6 Principal Secretary. Finance Department
- 7 Personal Secretary to P.S. I&M.1)
- 8 C.E.O. GIDB
- 9 V.C & M.D. G.I.D.C.,Gandhinagar
- 10 Industries Commissioner, Gandhinagar
- 11 Accountant General Rajkot/Ahmedahad.
- 12 Select File.

