

**Scheme of assistance to MSEs
For Shed and Plot developed
By Private Developer**

Government of Gujarat
Industries and Mines Department
Resolution No. MIS/102014/430906 /CH
Sachivalaya, Gandhiagar.
Dated: 10/03/2015

- Read: (1) Industries Commissioner's letter 'No.ઉક-પ્રો-નવી બાબત-સૂક્ષ્મ અને લઘુ ઉદ્યોગ dated 23rd June, 2014
- (2) Industries Commissioner's letter No.ઉક-પ્રો-સા-ઠરાવ-મુસદો) ૯૮૨૭૯૮ dated 19th August, 2014
- (3) Industries Commissioner's letter No.ઉક-પ્રો-એન્વા/૯૮૯૫૬૮ dated 6th Sept., 2014.

Preamble

The Government has recognized the importance of MSEs for generation of employment with lower investment. In recent years is a sharp increases in the cost of land and building in the country and therefore Micro, and Small Enterprises having a very limited financial resources could not able to start their manufacturing enterprises.

Resolution

- 1.0 After careful consideration, Government of Gujarat has decided to provide assistance through following schemes for generation of employment and development of MSEs in the state. The above schemes shall be known as scheme for assistance to GIDC for shed and plot by Private Developer and shall come into force form date of issuance of this G.R.

Schemes- 1:- Assistance to Private Developer for developing readymade sheds in Mini Estate.

Schemes- 2:- Assistance in rent to MSEs Industries

2.0 **Definitions:-**

1. **MSEs Industrial Unit:**

MSEs Industrial unit means Micro, and Small Enterprises as defined by government of India in the MSED Act 2006 and subsequent amendments made there in. Industrial Park / Mini Estate is an industrial estate having basic infrastructure facilities like developed plot, internal roads, water distribution faculties, power distribution and such other facilities/services as may be required developed for the establishment of MSEs to manufacture any product.



2. Private Developer:

Private Developer means any registered Private/ Public Limited Company and / or Industrial Association, Individual industries, Group of industries/ Cluster.

3. Mini Estate:

Mini Estate is an industrial estate having basic infrastructure facilities like developed plot, internal roads, water distribution facilities, power distribution and such other facilities/ services as may be required developed for the establishment of MSEs to manufacture any product.

4. Infrastructure Facilities:

Infrastructure Facilities mean bare minimum facilities required to set up MSEs and approved by implementation committee.

1. Asphalt Road/ Cement Concrete Road.
2. Storm Water Drainage System.
3. Domestic Sewerage Collection, treatment and Disposal System.
4. Streetlights.
5. Open & Green Spaces.
6. Water & Power Supply & distribution network at door setup of the shed.
7. Street light.
8. Pipe – racks
9. Steam.
10. Connectivity for communication

3.0 Eligible Fixed Capital Investment:

The eligible fixed Capital investment of the project will be decided on the basis of following criteria:-

Cost of Land: The cost of land will be decided on the basis of prevailing market price of the area or the actual price paid by private developer including the stamp duty and registration charges.

Cost of Building:

The cost of the building is fixed up by SLEC for the industrial building or/and SOR of the Roads and Building Department.

Other Infrastructure Facilities:

The cost of other infrastructure facilities will be as decided by the SLEC.

Architect / Consultancy fees/ TPQA charges:

The fees and charges paid for the services for development of Mini estate would be up to 5% of the project cost or Rs.20.00 lacs whichever is less will be considered as an eligible investment.

Ineligible Fixed Capital Investment:

Expenditure incurred towards land development, preliminary and pre-operative expenses, interest capitalized, recurring expenses, working capital and other expenditures as decided by the State Level Approval Committee (SLEC)

4.0 Scheme-1

Assistance to private developer for developing readymade sheds in Mini Estate.

State Government has felt that there is a need of small estates having a small row house type (Gala type) shed for MSEs which will provide basic infrastructure to set up MSEs. This type of mini estate can be developed by private developer for MSEs

4.2 Procedure:

The Private developer will purchase a land and get it converted for industrial use from the competent authority. After approval of land for industrial use, the developer will submit the proposal to Industries Commissioner's mentioning the proposed allotment cost of the shed. The developer shall have to include cost of all the infrastructure facilities and work out the final allotment price. The State Level Empowered Committee will sanction the proposal and thereafter the developer will start the development of infrastructure facility.

4.3 Quantum of Assistance and conditions:

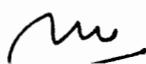
The assistance @50 % of the total cost of land, building and other infrastructure facilities will be given to private developer with the conditions as mentioned below;

1. The size of the shed shall be around 50 Sq.Mts. (500 Sq.ft.)
2. The size of the mini estate shall not be more than 2 Hectare
3. The land shall be in the industrial zone or commercial zone in the Municipal Corporation/ Urban Development Authority or converted to N.A. for industrial purpose in other areas.
4. The private developer shall have to get all the sanctions from the competent authority.
5. The private developer shall have to develop all the infrastructures mentioned in the project proposal within two years from the date of sanction. No assistance will be given if the all the infrastructure facilities are not created.
6. Assistance will be provided to private developer for providing plug and play infrastructure facilities.
7. The developer shall have to hand over the operation and maintenance to the members of the estate.
8. No additional charge shall be collected from the MSE industrial unit for providing facilities except user charges as decided by the members of the association.
9. The assistance under the scheme shall be disbursed to private developer @25 % of the cost of Shed as per the sale of individual Shed and after the commencement of the production by MSEs; the remaining assistance would be given to private developer.
10. If the developer does not find any buyer for vacant shed, the same can be disposed after the period of two years from the date of allotment to first MSE allottee or the completion of infrastructure facilities whichever is later. With prior Approval of industries commissioner.
11. The developer shall not charge any additional charges fixed by SLEC to MSEs in any manner.

5.0 Scheme-2: Assistance in rent to MSEs

5.1

The Government felt that the MSE Industrial units have to keep more margins for purchase of land and building while approving the loan from the financial Institution/bank. This will affect the working capital requirement and also adversely affect overall viability of the entire project. In view of above the government has decided to give assistance to MSEs units in rent which will improve the initial liquidity of the project and also help the financial institution/bank to sanction the term loan on plant and machinery required for the project.



5.2 Quantum of assistance:

The scheme intends to provide assistance to set up MSEs by small entrepreneurs having limited financial resources, the Government shall provide assistance in rent to strengthen the MSEs in initial period of establishment.

1. The assistance @ 50% of rent paid or Rs.50000/- per annum, whichever is less in Municipal Corporation area and area under the Urban Development Authority
2. The assistance @ 50% of rent paid or Rs.25000/- per annum, whichever is less except mentioned in 1 above
3. The assistance will be provided for **three** years

5.3 Conditions:

1. The assistance will be provided in industrial zone or commercial zone.
2. The building should be authorized and must have taken all the necessary permissions from the competent authority..
3. The rent deed or lease deed of building should be in the name of the owner of the building.
4. The building should have industrial power connection or should have applied for power connection.
5. The assistance of rent will be given with effect from the date of rent deed or three months prior to the date of production whichever is later.
6. The rent deed or lease deed should be for **five** years.
7. The assistance will be disbursed with interest subsidy and from the date of commercial production.

6.0 State Level Empowered Committee:

A State Level Empowered Committee (SLEC) consisting of following members is constituted for approval of Industrial Park/ Estate under the scheme.

Hon. ble Minister	:	Chairman
ACS/ Principal Secretary (Industries)	:	Member
ACS/ Principal Secretary (Finance)	:	Member
ACS/ Principal Secretary (Revenue)	:	Member
Principal Secretary (R&B)	:	Member
V.C. & M.D., GIDC	:	Member
President Laghu Udyog / Laghu Udyog Bharati	:	Member
Industries Commissioner	:	Member
Additional IC	:	Member
Joint IC/Deputy IC	:	Member Secretary

6.2 Other conditions:

1. SLEC will be empowered to prescribe the form, checklist and issue guidelines for the implementation of the scheme.
2. The decision and interpretation of SLEC shall be final and binding to all

3. If the infrastructure facilities not found as per the standards mentioned in project report submitted to the committee, the entire incentive sanctioned / disbursed will be recovered as arrears of land revenue under the Land revenue laws.
4. Disbursement of the assistance sanctioned will be released on availability of Govt. grant.
5. The SLEC may prescribe other terms and conditions which will be binding to the applicant.
6. The developer of industrial park/ estate shall have to follow Third Party Quality Assurance (TPQS) system towards quality of entire infrastructure development in the Industrial / Estates.
7. Disbursement of the assistance sanction by SLEC shall be released on availability of Govt. grant.

7.0 Expenditure:

The expenditure on this account shall be considered as laid down at Para 3.0 of the GR No: BGT/1008/626/G dated 27/02//2009 as referred at(1) .

The expenditure on this account shall be debited to following budget head:-

Demand No.49

Major head: 2851 Rural and Small Industries

Minor head: 102 Small Industries

Detailed head: 14 Incentive to MSMEs (to be open)

These issues with the concurrence of Finance Department vide note D: 03/02/2015 on this department file of even number.

By order and in the name of Governor of Gujarat,



(K.S.Prajapati)

Joint secretary

Industries and Mines Department

Copy to:

1. Secretary to Hon. Governor of Gujarat*
2. Principal Secretary to Hon. Governor of Gujarat*
3. Personal Secretary to all Hon. Ministers
4. Advisor to Hon. Chief Minister
5. Under Secretary to the Chief Secretary
6. Principal Secretary. Finance Department
7. Personal Secretary to PS (I&M)
8. CEO, GIDB
9. VC& MD, GIDC, Udyog Bhavan, Gandhinagar
10. Industries Commissioner, Udyog Bhavan, Gandhinagar.
11. Accountant General Rajkot/ Ahmedabad
12. Select File.

