

**Gujarat Industrial Policy-2009**  
Schemes for Improving Industrial  
Infrastructure

Government of Gujarat  
Industries & Mines Department  
Resolution No. BGT/1008/626/G  
Sachivalaya, Gandhinagar  
Dated : 27/2/2009

Read:

1. Industrial Policy, 2009.
2. Resolution No. APN/102001/1228/I dated 05.03.2003
3. Resolution No. APN-102003-1161(6)-I dated 10.06.2004
4. Resolution No. APN-102003-1161(7)-I dated 10.06.2004

**Preamble:**

Gujarat Industrial Policy, 2009 lays emphasis on infrastructure development. The Industrial Policy seeks to create adequate provisions which aim at upgrading and improving the status of infrastructure in the State. In recent years, Gujarat Industrial Development Corporation (GIDC) has taken up many initiatives for upgrading the infrastructure of industrial estates, and some of the measures taken up include categorization of existing estates, facelift of existing infrastructure, leveraging from critical infrastructure scheme and implementation of appropriate cost recovery mechanism. In continuation of previous critical infrastructure scheme, it has been decided to introduce a modified scheme for improvement of infrastructure in non-GIDC estates also.

The Policy also identifies need to develop new industrial estates in focus sectors to promote sector specific economic activity and generate employment. Also the Policy provides for development of new industrial estates on Public Private Partnership (PPP) basis. For this PPP framework, the Policy recommends a Build Operate Transfer (BOT) model with Viability Gap Funding through Gujarat Industrial Development Board.

To enable the industrial clusters to address their comprehensive infrastructural needs and initiate steps for fulfilling their needs by utilizing these schemes and to ensure commitment and complete involvement of the benefiting units it is necessary to expect financial involvement of the units collectively with a contribution in the project cost, directly and also through financial institutions.

**RESOLUTION :-**

After careful consideration, Government of Gujarat has decided to introduced following schemes:-

- 1.0 Scheme – 1:** A Scheme for Assistance to Critical Infrastructure Projects  
The scheme will be known as scheme for Assistance to Critical Infrastructure Projects and will come into force from issuance of this Resolution and remain in force for five years.

## **1.1 Eligible Institution**

- (i) Any Industries Association, Chamber of Commerce, Federation of Industries or group of industrial units which are registered under Societies Act, Trust Act or The Companies Act will be eligible to avail assistance. Any large project/Industry House will also be eligible if the project is approved by the Implementation Committee.
- (ii) Any Department of Govt., Govt. Agency or Authority, Board, Corporation, Municipal Corporations will be eligible to avail assistance.

## **1.2 Eligible Activities**

- (i) Infrastructure facilities as may be required in an industrial estate, industry clusters or any industrial area such as:
  - (a) Approach road from industrial estate/area to Airport, Port or Highway.
  - (b) Over bridge on road/railway
  - (c) Up gradation of existing roads/widening of road
  - (d) Construction of by pass road
  - (e) Setting up of Earth station/Communication facilities
  - (f) Water distribution network and related facilities
  - (g) Gas/electricity/energy distribution network and related facilities
  - (h) Setting up of warehousing facilities and related facilities
  - (i) Facilities Centre, Product Development Centre, Training Center, Testing Centre, R&D Institution and/or any common facilities centre
  - (j) Any other infrastructure facility required in the area specific to industry
- (ii) Additional Infrastructure facilities such as:
  - (a) Water Desalination Plant
  - (b) Transport Nagar / Transport facilities/ Transport hub
  - (c) Water Resource Augmentation
  - (d) Networking Facility
  - (e) Trauma Care Centre
  - (f) Resource Centre
  - (g) Recreation Center
  - (h) Business Support Services
  - (i) Developing Projects through Alternative Energy sources.
  - (j) 10 % cost of Social Infrastructure like Hospitals, Schools & Colleges etc. of the total project cost will be considered eligible for assistance.
- (iii) For up-gradation of infrastructure facilities in GIDC and non-GIDC industrial estates through industries associations or Notified Area Authority or Special Purpose Vehicle (SPV) assistance will be considered under the scheme.
- (iv) Undertaking specific studies by Industries Commissioner for any industries/ industrial area/ industrial development activity assigned to any professional institution/ consultancy firm can be considered under the scheme and expenditure except of such studying will be reimbursed by the Government.

### **1.3 Eligible Investment**

- (i) Fixed capital investment in the project proposal will be considered for approval by the Implementation Committee.
- (ii) The components of investment in the project and rates will be decided by the Implementation Committee constituted under para 2.6 of this G.R.

### **1.4 Quantum of Assistance**

- (i) Financial assistance to be extended would be subject to a review of the current status of infrastructure grading and thereby estimation of costs/investments.
- (ii) Under the scheme, assistance will be considered, depending upon the requirement of State contribution in the projects identified in industrial parks/ clusters/ areas, up-to 60% of project cost, with ceiling of assistance as below:
  - (a) Rs. 10 crore, in case the area of the project is less or equal to 100 hectares
  - (b) Rs. 20 crore, in case the area is more than 100 hectares
- (iii) The promoter of the Project shall commit to hold at least 20% equity participation in the Project.
- (iv) The Implementation Committee may also approve projects for providing last mile connectivity to the industrial parks/clusters/ areas having area of more than 25 hectares.
- (v) In case there is no private stakeholder for the development of the infrastructure of the industrial area/estate, Government may form a Special Purpose Vehicle (SPV) and financial assistance will be provided on cost recovery mechanism basis which may include - toll tax, lease rent, by increase in allotment price, transfer fees, non utilization penalty, etc.

### **1.5 Other Conditions**

- (i) The project proposal has to be approved by Industries Commissioner before commencement of the project. The Project which has not been granted prior approval will not be eligible for assistance under the Scheme.
- (ii) The Project which availed assistance under any other scheme for the same component of the State Government will not be eligible for assistance under this Scheme, unless specified otherwise. However, if assistance is availed under Central Units Scheme, both the assistance together, should not exceed 80% of the project cost.
- (iii) The disbursement of the amount sanctioned will be proportionate to the expenditure incurred and only after 25% of promoters' contribution to the project cost or Rs.50 lacs, whichever is less, is fully utilized by the Applicant.
- (iv) The applicant should prepare a comprehensive project report, clearly highlighting the overall infrastructural needs, both physical and social, the project cost and the means of financing in terms of their contribution, contribution from financial institutions and the component of assistance under this scheme. The report should also indicate mode of repayment of the loan taken from Financial Institution.
- (v) The financial assistance would be provided for holistic development based on definite outcomes.
- (vi) The benchmarks may be based on gradation of the facility in the category of A, B, C of the industrial estates, based on which the assistance shall be given. The

- applicant shall have to maintain the project as per the efficiency and operational benchmarks fixed by the Implementation Committee.
- (vii) The detailed O&M arrangement and mechanism for third party inspection will have to be set up as an integral part of the Project to claim assistance under the Scheme.
  - (viii) The facility financed shall be planned at least for 10 years and upgraded every five years. The timeline is subject to the type of Project. An upgradation fund shall have to be created by the applicant.
  - (ix) The assistance will be focused on upcoming industrial areas along Delhi - Mumbai Industrial Corridor (DMIC) and infrastructure requirement in identified Special Investment Regions (SIRs) and Industrial nodes.
  - (x) The implementation Committee will stipulate other conditions for the implementation of the project which shall be final and binding to the applicant.

### **1.6 Implementation Committee**

- (i) An Implementation Committee consisting of following members is constituted for approval of project and assistance under the scheme.

Minister of State for Industry	Chairman
Principal Secretary (Industries)	Member
Principal Secretary (Finance)	Member
Principal Secretary (Ports)	Member
Secretary (R&B)	Member
Secretary (Water Resources)	Member
Industries Commissioner	Member
VC&MD, GIDC	Member
Principal Chief Industries Advisor	Member
Jt./Dy. Industries Commissioner	Member - Secretary

- (ii) The Implementation Committee will also prescribed the terms and conditions for Implementation of the project and monitor the progress for which assistance is sanction.

### **1.7 Procedure**

- (i) The Eligible Institution will be required to forward the proposal to Industries Commissionerate. The Industries Commissionerate will process the proposal and place before the Committee for consideration.
- (ii) Pending applications received under GR No: APN/102001/1228/1 dated 5th March, 2003 and APN-102003-1161 (6)-I dated 10th June, 2004 will be considered under this GR. The sanctioned cases will not be reopened & they will continue to get assistance under relevant GR.
- (iii) The decision of the Committee will be communicated by the Industries Commissionerate.

- 2.0 Scheme - 2:** Scheme for Financial Assistance to Industrial Parks in PPP Mode  
The scheme will be known as scheme for Financial Assistance to Industrial Estates/Parks in Public Private Partnership (PPP) mode and will come into force from issuance of this Resolution and remain in force for five years.

## **2.1 Definitions**

### **2.1.1 Previous scheme**

Previous Scheme means Gujarat Industrial Policy 2003 scheme for financial assistance to Industrial Parks declared vide G.R. No. APN-102003-1161(7)-I dated 10th June, 2004.

### **2.1.2 Private Institution**

Any Industry association/industrial house or institution registered under Societies Act, Trust Act, Partnership Act or the Companies Act will be treated as a private institution.

### **2.1.3 Industrial Park**

Industrial Park is an industrial estate which is developed primarily for establishment of industrial units to manufacture any product or service units and having basic infrastructure facilities like developed plot, internal roads, water distribution facilities, sewage collection and treatment, power distribution, communication facilities and such other facilities/services as may be required.

### **2.1.4 Public Institutions**

Local authorities like Nagarpalika, Municipal Corporation, Urban Development Authority, District Panchayat, Village Panchayat, Notified Areas and GIDC.

## **2.2 ABC classification of Industrial parks**

### **2.2.1 Category C- Industrial Estates**

Category C Industrial estates should be one with following minimum facilities:

- (i) Asphalt Road/Concrete Road
- (ii) Storm Water Drainage system
- (iii) Domestic sewerage collection & disposal system
- (iv) Streetlights
- (v) Open & Green Spaces
- (vi) Water & Power Supply
- (vii) Entrance Gate & Security

### **2.2.2 Category B – Industrial Estates**

Category B Industrial estates should be one with following minimum facilities, over & above facilities in Category C Industrial Estates:

- (i) Parking space
  - (a) For visitors / Commuters
  - (b) For Goods Vehicles
  - (c) For Transporters
- (ii) Effluent Treatment, Collection & Disposal (Need basis)
- (iii) Testing Laboratory (Need basis)
- (iv) Training Centre (Need basis)
- (v) Compound wall
- (vi) Community Hall / Library
- (vii) First aid centre

### **2.2.3 Category A – Industrial Estates**

Category A Industrial estates should be one with following minimum facilities, over & above facilities in Category B & C Industrial Estates

- (i) Ware House & Cold Storage
- (ii) Creche
- (iii) General hospital/Community health centre
- (iv) Labour welfare
- (v) Recreation club & Auditorium
- (vi) Traffic Junctions (Need basis)
- (vii) Post office, Police Station, Internet access centers
- (viii) Fire-Station
- (ix) Banks
- (x) Waste water recycling
- (xi) Gas Station
- (xii) Bus Station & Public Transport facilities
- (xiii) Canteen / Restaurants
- (xiv) Auto Stands

### **2.3 Eligible Fixed Capital Investment**

#### **2.3.1 Land**

The payment made towards value of sale deed, stamp duty, registration & legal charges as well as legal charges for conversion of land for industrial purpose shall be considered for the required area of land for industrial park.

#### **2.3.2 New Building**

Building constructed in the industrial estate/ park for providing specific common infrastructure facilities/ service facilities for the units. The actual expenditure incurred and paid for construction of building as per the norms adopted by the State Level Approval Committee (SLAC) will only be considered for eligibility.

#### **2.3.3 Other Construction**

The other construction will include facilities like boundary wall and other specific common facilities as may be required for the project and approved by the State Level Approval Committee. The construction norms will be decided by the SLAC.

#### **2.3.4 Ineligible Expenses**

Expenditure incurred towards goodwill fees, commissioning fees, royalty, pre-operative expenses, interests capitalized, transportation equipments/ vehicles technical fees/ consultant fees, working capital and other expenditures as decided by the State Level Approval Committee.

## **2.4 Infrastructure Facilities**

Infrastructure facilities will include cost for development of infrastructure like internal roads, power lines, communication facilities, water distribution line and water augmentation facilities, sewage and drainage lines, effluent treatment and disposal facilities and other facilities as may be required in the Industrial Estate/ Park. The expenditure incurred for the infrastructure development only will be considered. The construction norms will be decided by the SLAC.

## **2.5 Other Conditions**

- (i) The incentive is for development of Industrial Park consisting of minimum 11 units.
- (ii) The promoter institution of the Industrial Park shall operate and maintain the Park for minimum 5 years after completion of construction. Otherwise, the incentive granted will be recovered as arrears of land revenue under the Land Revenue Laws.
- (iii) The construction of the sanctioned project shall be completed within 3 years from the date of possession of land.
- (iv) The promoter of the Project shall commit to hold at least 20% equity participation in the Project.
- (v) The detailed O&M arrangement and mechanism for third party inspection will have to be set up as an integral part of the Project to claim assistance under the Scheme.

## **2.6 Quantum of Assistance**

Viability Gap Funding of upto 20% of the landed project cost through GIDB (in addition to upto 20% VGF assistance as may be provided by Central Govt.)

## **2.7 Mode of Implementation**

- (i) The industrial park should be implemented under PPP basis i.e. developed, financed, constructed, maintained and operated by a Private Sector Company to be selected by the Government or Government agency through a process of developer selection as specified in the Gujarat Infrastructure Development (GID) Act, 1999.
- (ii) The land for development of industrial park may be acquired through GIDC procedure of land acquisition.
- (iii) The industrial park can also be implemented through a joint venture with an industry partner.
  - (a) Industry partner can be an anchor entrepreneur or a group of entrepreneurs.
  - (b) Industry partner shall hold the majority stake in the Project Special Purpose Vehicle (SPV).
- (iv) GIDC will operate a land bank and may give BOT concession for development of industrial park on such identified land.
- (v) The state government may provide land to the SPV on lease. Wherever the land is provided by Govt./ its agencies, Govt./ its agency may nominate one or two nominees in the board of directors of the SPV. The ownership of the government land shall remain with Government/ its agency.
- (vi) The Estates / Parks graded into A, B, C category may be provided quantitative indicators for developing world class facilities.

- (vii) The State Level Approval Committee may prescribe the bye-laws for comprehensive planning of the industrial park in both the processing and the non-processing areas, on lines of development control regulations specified for SEZs.
- (viii) The industrial estates/ parks are required to have minimum infrastructure facilities required for the estates/ parks namely internal roads, water distribution network, drainage treatment, effluent treatment, power distribution network, communication network and other facilities.
- (ix) The developer of Industrial Estates / Parks availing incentive under the scheme will not be eligible to avail incentive under any other schemes of the State Government, unless specified otherwise. However, the units coming up in the Industrial Estates / Parks will be eligible to avail incentives under separate schemes of the State Government.
- (x) Any expenditure to be incurred by the office of Industries Commissionerate for PPP projects under this scheme such as expenses for hiring of advisory services for bid process management, advertisement for tendering process, monitoring, etc., as may be sanctioned by Industries Commissioner, shall be met from funds provided for the scheme under this GR.

## **2.8 Responsibilities of SPV**

- (i) The selection of private developers shall be done as per the provisions of Gujarat Infrastructure Development Act 1999 for viable new proposals.
- (ii) The success of the scheme lies on SPV. Hence SPV (in terms of its executive committee and the key operators) should be sustainable with part time members and Chief Executive Officer, who must be professional selected by the SPV Committee. The Chief Executive Officer (CEO) may work for maximum three parks and paid for his services. The Chief Executive Officer shall be experienced qualified and professional having managerial capacity (with an engineering/management degree). Every proposal will show cost / pay of CEO as a part of the cost of the project.
- (iii) The CEO will be responsible for implementation operation & maintenance of the project as well as for strong monitoring and reporting to the Government. The CEO may certify the progress made by the SPV; including causes for delay in implementation and possible solutions and actions.

## **2.9 State Level Approval Committee**

- (i) A State Level Approval Committee consisting of following members is constituted for approval of projects under the scheme.

Minister of State for Industry	Chairman
Principal Secretary (Industries)	Member
Principal Secretary (Finance)	Member
Principal Secretary (Ports)	Member
Secretary(R&B)	Member
Secretary (Water Resources)	Member
VC&MD, GIDC	Member
Industries Commissioner	Member
Principal Chief Adviser/Additional I.C.,	Member- Secretary



- (ii) The above Committee will approve selection of private developer and monitor the progress of the implementation of the projects.
- (iii) The application under the scheme will be received by Industries Commissionerate and placed before the Committee for approval and onward submission to GIDB for assistance under VGF scheme. The project proposal and concessional agreement shall be submitted to GIDB if the cost of project, as defined by GIDB regulation on project cost, exceeds Rs 50 crores.
- (iv) Any dispute/interpretation or contention under the scheme will be referred to the State Level Approval Committee and decision of which shall be final and binding on the applicant.

## 2.10 Monitoring agencies/offices

- (i) Apex monitoring body: Industries Commissioner and/ or GIDB will be responsible for selection of industry partners, as the case may be based on cost of project. GIDB shall provide viability gap funding and GIDC shall operate as a land bank and give BOT concession.
- (ii) Private developer or the group of entrepreneurs with CEO shall develop & operate the scheme.
- (iii) Frequent monitoring shall be done by following committee

General Manager, DIC	Member
Representative of GIDB	Member
Regional Manager of GIDC	Member
SPV CEO	Member secretary

## 3.0 Expenditure

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  
 Sub- Major Head- 80-General  
 Minor Head - 800-Other Expenditure  
 Sub Head - (22) IND-(3) Development of Infrastructure Facilities.  
 Planning Code - 113502

Demand No - 96  
 Major Head - 2852-Industries  
 Sub- Major Head- 80-General  
 Minor Head - 796-Tribal Area Sub Plan  
 Sub Head - IND-(3) Development of Infrastructure Facilities.

The GRs referred to in Read at (2), (3) & (4) stand cancelled. Sanctioned cases will continue to get benefit as per those GRs. Pending applications will be considered under this GR.

Review: The Scheme under this GR will be reviewed after two years with reference to intended outcome, actual performance and financial implications.

This issues with the concurrence of Finance Department dated 16/02/09 on this department file of even number.

By order and in the name of Governor of Gujarat,



(Shridevi Shukla)  
Deputy Secretary  
Industries and Mines Department

Copy to

- 1 Secretary to Hon. 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.D
- 8 C.E.O. GIDB
- 9 V.C & M.D. G.I.D.C. Udhog Bhavan, Gandhinagar
- 10 Industries Commissioner, . Udhog Bhavan
- 11 Accountant General Rajkot/Ahmedabad.\*
- 12 Select File.

**\*By letter**