

## **Guideline**

### **Scheme for Financial Assistance to Integrated Logistics Facilities**

(Gujarat Integrated Logistics and Logistics Park Policy 2021)  
(for the Schemes (i) Capital Subsidy, (ii) Interest Subsidy, (iii) Reimbursement of Stamp Duty and (iv) Exemption of Electricity Duty)

#### ***Read:***

Scheme for Financial Assistance to Integrated Logistics Facilities under Gujarat Integrated Logistics and Logistics Park Policy 2021, Government Resolution No. GID-102021-560-I-1, Dt.31/07/2021.

#### **Preamble**

Scheme for Financial Assistance to Integrated Logistics Facilities has been introduced by Government of Gujarat under Gujarat Integrated Logistics and Logistics Park Policy 2021 vide GR No. GID-102021-560-I-1, Dt.31/07/2021. This scheme is in force from Dt.02/08/2021 and will remain in operation for period of five years i.e., up to Dt.01/08/2026.

By this scheme, the assistance will be given to the private developer for developing Logistics Facilities and Logistics Park with all required infrastructure and logistic services.

In the said GR, the quantum of assistance and other conditions are mentioned. However, the guideline is prepared to simplify the implementation of said scheme and the procedure to avail the assistance under the scheme.

#### **1. Basic Criteria for Logistics Facilities**

- 1) Logistics Facilities should fulfill the criteria as per definitions mentioned in GR of the said scheme.
- 2) In case of Land taken on Lease/Rental basis, there should be Registered Lease/Rental Deed for minimum 10 Years between the Developer and Land Owner.
- 3) The Developer of the Logistics Facilities must follow the norms of Common GDCR for planning and development of Project.
- 4) It is the responsibility of the Developer to ensure necessary arrangements/installations, effective operation and maintenance with provisions/standards as per competent

authority for Water Supply, Power Supply, Sewage and Effluent Disposal, Fire Safety, Pollution Control measures and other necessity as per the number and nature of Logistics Services, facilities and number of workers to be employed.

- 5) Developer shall have to obtain Environmental and all other clearances, if applicable.
- 6) Basic necessary facilities including toilets, rest area for the drivers of transport vehicles should be made available.
- 7) Developer may provide other amenities like Fire & Safety facilities, Security facilities, Canteen, Bank, ATM, Clearing service, Health Care Center, etc.
- 8) Developed Logistics Facilities shall be given on Lease/Rental basis. Developed Logistics Facilities shall not be used for Captive purpose by Developer and it shall not be sold out/transferred to other unit/entity, otherwise it will not be eligible for assistance under this scheme.
- 9) Developer has to manage, maintain and operate the logistic facilities for minimum period of 7 years from the Date of Commencement of Operations (DCO).

## **2. Procedure for Registration**

- 1) Any eligible institution who wants to apply under this scheme, shall submit application for Registration in prescribed Application Form.
- 2) Applicant has to fill-up Application Form and has to submit all required documents as per prescribed check list.
- 3) On receipt of application along with required documents, Industries Commissionerate will scrutinize the application and inform the applicant, if any documents or details are missing as per checklist. Application with incomplete documents/details and discrepancies as per checklist will not be proceed further and it may lead to rejection of Application for Registration by Industries Commissionerate.
- 4) If documents are in line with the provisions of GR and Guideline as per checklist, then application will be forwarded to General Manager of concerned District Industries Centre for Site Visit and Inspection Report.
- 5) After Inspection Report of GM-DIC, Registration Certificate may be issued by Industries Commissionerate considering the provisions of GR and Guideline.

### **3. Procedure for Sanction**

- 1) Developer must submit application for Sanction in prescribed Application Form with all required documents as per prescribed check list only after obtaining followings:
  - (i) Registration under the scheme
  - (ii) Possession (by purchase or lease) of required land for project
  - (iii) Approved Lay-out Plan from concerned Govt. authority for the project
  - (iv) Detailed Project Report (containing component wise Estimates as per Prevailing SOR of concern Govt. Department or its undertakings)
  - (v) Sanction of Term Loan for Project (if developer want to opt for Interest Subsidy)
- 2) On receipt of application along with required documents, Industries Commissionerate will scrutinize the application and inform the applicant, if any documents or details are missing. Application with incomplete documents/details and discrepancies as per checklist will not be proceed further and it may lead to rejection of Application for Sanction by Industries Commissionerate.
- 3) If documents are in line with the provisions of GR and Guideline as per checklist, then applicant will be called for presentation before a Screening Committee to be chaired by Industries Commissioner.

Members of the screening committee will be:

  - Joint Commissioner of Industries (Infrastructure)
  - Chief Engineer, GIDC
  - Senior Town Planner, CTP Office
  - Deputy/Joint Secretary, IMD
  - GM, GIDB
  - Any Other special invitee
- 4) Screening Committee can ask for the further clarification and amendments in the plan or project, if required. On compliance of committee's remarks, application will be put up before Sanctioning Authority/SLEC for suitable decision.
- 5) Sanctioning Authority/SLEC will deliberate on the project proposal and may give approval to sanction the project, subject to the terms and conditions of GR and Guideline of the Scheme.

#### **4. Eligible Fixed Capital Investment for Assistance**

##### **1) Eligible Fixed Capital Investment:**

- (i) **Eligible Fixed Capital Investment** means the capital investment made in fixed assets (except land cost) during the operative period of the scheme, i.e., on or after the Dt.02/08/2021 and up to the date of completion of this scheme to create infrastructure facilities as may be required.
- (ii) Eligible Fixed Capital Investment includes capital investment made towards followings:

##### **Buildings**

- a) New Buildings Constructed or the Acquisition of a New and Unused Buildings for the Project including buildings for Plant and Machinery, R&D Activities, Storage Facilities, Administrative building and other buildings related to Logistics Operations will be considered as Eligible Fixed Capital Investment.
- b) Expenditure incurred on acquisition of old building or on repairing of a building will not be considered as Eligible Fixed Capital Investment.
- c) Building acquired under lease or on rental basis, except GIDC sheds will not be considered as Eligible Fixed Capital Investment.

##### **Other Construction**

- a) Other Construction such as Compound Wall, Gates, Security Cabins, Internal Roads, Power Distribution, Sub-Station with feeder, Water Distribution with Water Tank, Gas Line, Sewage and Drainage Lines, Fire Safety & Prevention Facilities, Communication Facilities and other related construction as sanctioned by Sanctioning Authority/SLEC will be considered as Eligible Fixed Capital Investment.
- b) Developer should provide Green belt, Plantation and required Open Space but expenditure incurred towards the same will not be eligible for assistance.

##### **Project related Infrastructure**

Eligible Fixed Capital Investment includes Direct Expenditures incurred for the followings:

- a) Facilities created for Workers and Staff (except housing/dormitory facilities)
- b) Roads to the Project from the nearest approach road

- c) Dedicated pipeline facilities created for carrying water, gas required for the Project from the source
- d) Non-refundable deposit paid to the electricity company for transmission of electricity from the nearest Sub-Station
- e) Expenditure on electronic telephone exchange and laying of telecommunication/network cables.
- f) Other additional specific facilities as may be required for carrying out the operations sanctioned by Sanctioning Authority/SLEC.

### **Plant & Machinery**

Eligible Fixed Capital Investment includes Expenditures incurred for the New Plant and Machinery including cost of transportation, foundation, erection, installation and electrification (including cost of sub-station and transformers installed within the facility) capitalized under the head of plant and machinery.

In case of second hand Plant and Machinery, Imported second hand Plant and Machinery having usable life for at least further 10 years which is duly certified by Chartered Engineer will be considered as Eligible Fixed Capital Investment.

Plant and Machinery shall include:

- a) Vehicles for transportation only within the premises of the unit/project and material handling equipment exclusively used in transporting goods within such premises (Such vehicles and equipment must be used for the purpose of the Logistics Facilities/Services only)
- b) Plant for Pollution Control Measures including facility for collection, treatment and disposal
- c) Plant for Non-Conventional Energy
- d) Plant for Captive Power Generation/Co-Generation
- e) Diesel Generating Sets of capacity not more than 50% of the connected electric load or 25 MW, whichever is less

## **2) Ineligible Expenditures:**

Following Ineligible Expenditure will not be eligible for any assistance:

- a) Expenditures incurred towards purchase of land and land development
- b) Goodwill fees, Commissioning fees, Royalty, Preliminary & Pre-operative Expenses
- c) Interest Capitalized, Technical fees/ Consultant fees, Working Capital
- d) Any amount not specifically expressed as eligible investment or any other expenditure specified as non-eligible expenditure by the Sanctioning Authority/SLEC

### **3) Eligible Term Loan:**

Eligible Term Loan is the loan amount sanctioned by the Financial Institution/Bank (except Non-Banking Financial Company) for investing in Gross Fixed Capital Investment or equivalent to Gross Fixed Capital Investment of the enterprise.

### **4) Date of Commencement of Operations:**

Date of Commencement of Operations is the date when the project commence operation of activity first time.

## **5. Eligibility and Procedure for Assistance**

### **1) Capital Subsidy:**

- a) Only New Unit/Project is eligible for this Subsidy.
- b) Capital Subsidy will be calculated on the Eligible Fixed Capital Investment.
- c) Eligible cost for construction/infrastructure will be worked out in accordance to relevant SOR norms of Government or its undertaking.
- d) The assistance can be claimed in phase wise manner, in four installments based on actual expenditure incurred (excluding land cost) at 25%, 50%, 75% and 100% of sanctioned project cost in Eligible Fixed Capital Investment.  
However, 15% amount of eligible assistance will be deducted from each claim and disbursed only after completion of the Project.
- e) The Developer has to submit the claim for assistance to concern District Industries Centre (DIC office) along with required documents as per check list.  
GM, DIC will verify the claim and submit report to Industries Commissionerate along with recommendation of joint inspection team.

Members of joint inspection team will be as under:

- Executive Engineer/Deputy Executive Engineer/Deputy Engineer, R&B.
- Regional Officer, GPCB
- General Manager, District Industries Center

Industries Commissionerate will scrutinize the claim and eligible assistance will be disbursed considering the recommendation from joint inspection team, provisions of GR & Guideline and sanction letter for project as sanctioned by SLEC.

## **2) Interest Subsidy:**

- a) Only New Unit/Project is eligible for this Subsidy.
- b) Developer is eligible for this subsidy if Date of First Disbursement of Term Loan is within the operative period of the scheme.
- c) Amount actually disbursed against the sanctioned amount of Eligible Term Loan will only be considered for this incentive.
- d) Developer is eligible for Interest Subsidy for the repayment against Interest of Loan during the Moratorium period also.
- e) Developer will not be eligible for Interest Subsidy for the Default period, if he is declared as Defaulter by Financial Institution/ Bank as per RBI guidelines.
- f) In case of repayment against Principal Loan Amount is not paid for the period of 90 days or more, this duration will not be eligible for Interest Subsidy even though repayment against Interest of Loan is paid during this period.
- g) The Developer has to submit the claim for Interest Subsidy to IC office along with required documents as per check list.

## **3) Reimbursement of Stamp Duty:**

- a) Only New Unit/Project is eligible for Reimbursement of Stamp Duty.
- b) Developer is eligible for reimbursement of the Stamp Duty paid on purchase of required land for the project during the operative period of the scheme.
- c) Developer is not eligible for reimbursement of the Stamp Duty paid for the land given by Government or land taken on lease/on rental basis or purchased from Government.  
The Developer has to submit the claim for reimbursement of the Stamp Duty to IC office along with required documents as per check list.
- d) Claim for reimbursement of the Stamp Duty shall be made only after purchasing total required land as per Project sanctioned and completing at least 40% of construction for infrastructure as sanctioned by Sanctioning Authority/SLEC.

#### **4) Exemption of Electricity Duty:**

- a) Only New Unit/Project is eligible for Exemption of Electricity Duty.
- b) New Unit/Project is eligible for exemption of Electricity Duty from the date of Commencement of Operation.
- c) Eligibility Certificate for Exemption of Electricity Duty will be issued after Commencement of Operation of Project.

#### **6. General Conditions**

- 1) The Developer of Project shall have to abide by the terms & conditions of Government Resolution No. GID-102021-560-I-1, Dt.31/07/2021 and Guideline and their amendments from time to time and subsequent Guideline/GR issued by Government of Gujarat in regards to this policy as applicable. The Developer of the Project shall also have to abide all the instructions and procedure framed by the Guideline and Sanctioning Authority/SLEC without any dispute.
- 2) The expenditures (excluding the land and land development cost) incurred shall be eligible for assistance subject to the terms & conditions of the GR and Guideline of the Scheme.
- 3) The Institution shall appoint agency for Third Party Quality Assurance (TPQA). The TPQA agency shall be selected from the approved/suggestive list of Central/State Government department or its Board/Corporation or it has work experience as TPQA for Central/State Government department or its Board/Corporation during last 3 years. The developer shall have to submit the TPQA certificate with each claim for Subsidy.
- 4) The developer of Project must adhere to the provisions of land revenue code, tenancy act and conditions laid down under it as far as land related regulations are concerned.
- 5) It is the responsibility of developer to get all necessary permissions and purchase the land free from all encumbrances and mortgage and to get it converted to non-agricultural purpose.
- 6) In case, the developer wants to acquire Government land for the Project, developer must produce No Objection Certificate/ Recommendation letter regarding availability of Government land for said Project from concerned District Collector along with application of Registration.



- 7) The Developer should complete all Logistics and Infrastructure Facilities as approved by Sanctioning Authority/SLEC within the prescribed time limit.
- 8) The Developer shall be responsible to maintain, manage and operate the Project for 7 years after its commencement of operation. If it fails to do so, the incentives disbursed will be recovered from institution as arrears of land revenue under the Land Revenue Laws.
- 9) General Manager DIC have to submit Annual Visit Report regarding current status of project to Industries Commissionerate when asked from Industries Commissionerate.
- 10) A Unit/Project eligible under this scheme or any other incentive scheme/similar schemes of the State Government, may opt for either of the incentive schemes. If any Unit/Project is availing incentive under any other State Government scheme, it will not be eligible under this scheme.
- 11) The project shall be eligible to avail incentive under the scheme of Government of India. However in such cases, the total amount of assistance of Central and State Government schemes should not exceed 60% of eligible project cost under this scheme. In such situation, the incentive of the State Government under this scheme will be reduced to that extent. Also, the total incentives from state and central government scheme should not exceed the maximum limit of assistance under relevant scheme.
- 12) The Developer shall have to submit notarized affidavit regarding adhering to provisions of prescribed guideline and above Government Resolution No. GID-102021-560-I-1, Dt.31/07/2021 and their amendments and terms and conditions of Registration and Sanction Letter.
- 13) The Sanctioning Authority/SLEC is empowered to withdraw the approval given under this scheme, if developer fails to comply with any of the conditions of guidelines and terms and conditions of the above Government Resolution No. GID-102021-560-I-1, Dt.31/07/2021 and their amendments and terms and conditions of Registration and/or Sanction Letter.
- 14) In case of any dispute, decision of Sanctioning Authority/SLEC shall be treated as final.