

**28th Regional Conference Of  
WIRC of ICAI**

**on**

**7th & 8th December, 2013**

**In**

**Mumbai**

**CA G.B. MODI**



# GOVT.SUBSIDY:-

- I) **CENTRAL GOVERNMENT  
SUBSIDY.**
- II) **STATE GOVERNMENT  
SUBSIDY.**

# CENTRAL GOVT.SUBSIDY:-

- I) Ministry of Agriculture.
- II) Ministry of Textile.
- III) Ministry of Food Processing Industries.
- IV) Ministry of Horticulture.
- V) Ministry of MSME.

# STATE GOVT SUBSIDY:-

- a) Maharashtra.
- b) Gujarat.
- c) Madhya Pradesh.
- d) Andhra Pradesh.
- e) Karnataka.
- f) Tamil Nadu.
- g) Punjab.
- h) Haryana. etc.

# IMPLIMENTING AGENCIES:-

## I) **Central Govt.:-**

- a) Central Govt. Dept.
- b) Central Govt. Institutes.
- c) Special Body constituted by respective Ministries.

## II) **State Govt.:-**

- a) DIC of the Respective District.
- b) Directorate of Industries of the respective states.

# CENTRAL GOVT.IMPLEMENTING AGENCIES:-

- a) Nabard + Directorate of Marketing & Inspection. (DMI).
- b) National Horticulture Mission/ Board.
- c) Textiles commissioner.
- d) State Agro Industries Development corporation.

# PRESENT SUBSIDY SCHEME OF NABARD:-



- Capital Investment Subsidy Scheme for Cold Storage and Onion godowns.
- Capital Investment Subsidy Scheme for Rural godowns.
- Scheme for Development/ Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization.

[https://www.nabard.org/English/NABARD\\_WAREHOUSING\\_SCHEME\\_NWS\\_2013\\_14.aspx](https://www.nabard.org/English/NABARD_WAREHOUSING_SCHEME_NWS_2013_14.aspx)

# PRESENT SUBSIDY SCHEME OF NHB:-



- Development of Commercial Horticulture through Production and Post-Harvest Management of horticulture Crops.
- Capital Investment Subsidy Scheme for Construction /expansion/ modernization of Cold Storages/Storages of Horticulture Produce.
- Technology Development and Transfer for Promotion of Horticulture.
- Market Information Service Scheme for Horticulture Crops.
- Horticulture Promotion Service.

[newguidelines.pdf](#)

<http://nhb.gov.in/>



# PRESENT SUBSIDY SCHEME OF MINISTRY OF FOOD PROCESSING INDUSTRIES:-



- Scheme for Technology upgradation/ establishment/ modernization of food processing Industries. Setting up of food processing and Training Center.
- Creation of Infrastructure facilities for running degree/diploma courses and training programmes for food processing.
- Training programmes sponsored by Ministry of Food Processing Industries.
- Entrepreneurship development programme.

<http://mofpi.nic.in/SchemeViewPage.aspx?OPsNrN8PJA8n2mxhp5uOjgBjeSI/AAnpwOCEUYordog=>

# MINISTRY OF TEXTILES:-



- Technology Mission on Cotton.
- Technology Upgradation fund Scheme.
- Integrated Textile parks Scheme.
- Scheme for Group Workshed For Powerloom Sector.  
(For the period from 1.4.2010 to 31.3.2012)
- Integrated Scheme For Powerloom Sector Development.

# PRESENT SUBSIDY SCHEMES OF MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES:-



- Credit Linked Capital Subsidy Scheme for Technology Upgradation.
- Credit Guarantee Scheme.
- ISO 9000/ISO 14001 Certification Reimbursement Scheme.

<http://dcmsme.gov.in/>

# PRESENT SUBSIDY SCHEMES OF MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES:-:



- Credit Linked Capital Subsidy Scheme for Technology Upgradation.
- Credit Guarantee Scheme.
- ISO 9000/ISO 14001 Certification Reimbursement Scheme.



**CAPITAL INVESTMENT SUBSIDY  
SCHEME FOR CONSTRUCTION  
/EXPANSION/MODERNIZATION OF  
COLD STORAGE/STORAGE  
HORTICULTURE PRODUCE**

Making Application for a Letter of Intent under the scheme“  
Capital Investment Subsidy Scheme for Construction /  
Expansion / Modernization of Cold Storages / Storages”





## COMPONENTS:-

Credit linked projects relating to cold storages including controlled atmosphere (CA) and modified atmosphere (MA) stores, pre-cooling units, other storages for onion, etc., their modernization are eligible for assistance under this component.



## PATTERN OR ASSISTANCE:-

The assistance will be as credit linked back-ended subsidy @40% of the capital cost of project in general areas and 55% in case of Hilly & scheduled areas for a maximum storage capacity of 5000 MT per project.



## GENERAL CONDITIONS FOR COLD STORAGE PROJECTS: -

### ❖ **Multi-chamber cold storage with mezzanine floors of RCC AND OR**

wooden structure for products not requiring pre-cooling, temperature range 0 degree Celcius plus to 16 degree celcius or above with fin-coil cooling system, with control system for humidity (RH 80% to 95% in general and 65%-70% for onion & garlic or appropriate level for seed storage etc) and appropriate handling of stored commodity with safety system against accidents of fire, leakage of refrigerant etc.

Minimum of two chambers, standard insulation material, with civil structure, insulations and cooling system as per prescribed standards-



CAPITAL COST PER TON:-

@Rs 6,000 per MT

FOR 5000 MT @Rs 6,000 per MT =3 CRORE

SUBSIDY@40% ON 3 CRORE =1.2 CRORE

SUBSIDY@55% ON 3 CRORE =1.65CRORE



- **REVISED OPERATIONAL GUIDELINES  
FOR RURAL GODOWN SCHEME  
FROM 26.06.2008  
UP TO  
31.03.2014**

# Eligible Organizations:

1. Individuals,
2. Farmers,
3. Group of farmers /growers,
4. Partnership / Proprietary firms,
5. Non-Government Organizations (NGO's),
6. Self Help Groups (SHG's),
7. Companies,
8. Corporations,
9. Federations,
10. Agricultural Produce Marketing Committees,
11. Marketing Boards and Agro Processing Corporation in the entire country.

# Location

- ❖ Under the scheme, the entrepreneur will be free to construct godown at any place as per his/her commercial judgment except for the restriction that it would be outside the limits of Municipal Corporation area. Rural godowns constructed in the Food Parks promoted by the Ministry of Food Processing Industries shall also be eligible under the scheme for assistance.

# Size

- ❖ Capacity of a godown shall be decided by an entrepreneur. However, subsidy under the Scheme shall be restricted to minimum capacity of 100 tones and maximum capacity of 30,000 tones.
- ❖ No maximum ceiling on subsidy in the case of project of rural godowns of cooperatives assisted by NCDC.

# Rate of subsidy shall be :-

**33.33% of the capital cost of the project:-**

- ❖ Maximum amount of the subsidy for North – Eastern States, hilly areas = Rs.3.333 crore.
- ❖ Maximum amount of subsidy other than North Eastern States, Sikkim and hilly areas =Rs.3crore.

# Rate of subsidy shall be :-

- ❖ 25% of the capital cost the project to all categories of farmer (other than women farmer), agriculture graduates, cooperative and State/Central Warehousing Corporation subject to a maximum ceiling on subsidy of Rs.2.25 crore.
- ❖ No maximum ceiling on subsidy in the case of cooperative assisted by NCDC.



# Rate of subsidy shall be :-

- \* 15% of the capital cost of the project to all other categories of individuals, companies & corporation etc. subject to a maximum ceiling on subsidy of Rs. 1.35 crore.
- \* 25% of the capital cost of the project for renovation of godowns of co-operative with assistance from NCDC.

# Who is farmer?

- The person owing agriculture land from last three years (minimum) and having average income from agriculture more than 50% of total income.

## Capital cost of the project for the purpose of subsidy under the scheme shall be calculated as follows :

- ❖ For godowns up to 1000 tones capacity–Project cost as appraised by financing Bank or actual cost or Rs.3500/- per tone of storage capacity, whichever is lower ;
- ❖ For godowns exceeding 1000 tones capacity Project cost as appraised by bank or actual cost or Rs. 3000/- per tone of storage capacity, whichever is lower.
- ❖ For North Eastern region/hilly areas , project cost will be Rs.4000/-per MT or as appraised by bank/financial institution, whichever is lower irrespective of godown capacity.

# How the capacity is calculated?

❖ Capacity of the godown:-

Height(mtr) x width(mtr) x length(mtr) x 0.40 = capacity

e g. 6.00 x 15.00 x 30.00 x 0.40 = 1080 MT

[ 50' x 100' = 5000 sq. ft.]



## No Interest Chargeable On Subsidy Portion:

- ❖ The subsidy admissible to the promoter under the scheme will be kept in the Subsidy Reserve Fund Account (Borrower – wise) in the books of the financing banks. No interest would be charged on this by the Bank. In view of this, for purposes of charging interest on the loan component, the subsidy amount should be excluded. The balance lying to the credit of the subsidy reserve fund account will not part of demand and time liabilities for the purpose of SLR/CRR.

**COMPARATIVE STATEMENT OF NABARD SUBSIDY FOR RURAL GODOWN**

SR. NO.	MT.TON	HEIGHT	SQ. CU.M.T.	SQ. MTR.	SQ.FT.	NABARD RATE PER TON	NABARD COST	SUBSIDY		
								@ 15 %	@ 25 %	@ 33.33 %
1	100	6	250	41.67	448.33	3500	350000	52500.00	87500.00	116655.00
2	200	6	500	83.33	896.67	3500	700000	105000.00	175000.00	233310.00
3	300	6	750	125.00	1345.00	3500	1050000	157500.00	262500.00	349965.00
4	400	6	1000	166.67	1793.33	3500	1400000	210000.00	350000.00	466620.00
5	500	6	1250	208.33	2241.67	3500	1750000	262500.00	437500.00	583275.00
6	600	6	1500	250.00	2690.00	3500	2100000	315000.00	525000.00	699930.00
7	700	6	1750	291.67	3138.33	3500	2450000	367500.00	612500.00	816585.00
8	800	6	2000	333.33	3586.67	3500	2800000	420000.00	700000.00	933240.00
9	900	6	2250	375.00	4035.00	3500	3150000	472500.00	787500.00	1049895.00
10	1000	6	2500	416.67	4483.33	3500	3500000	525000.00	875000.00	1166550.00
11	2000	6	5000	833.33	8966.67	3000	6000000	900000.00	1500000.00	1999800.00
12	3000	6	7500	1250.00	13450.00	3000	9000000	1350000.00	2250000.00	2999700.00
13	4000	6	10000	1666.67	17933.33	3000	12000000	1800000.00	3000000.00	3999600.00
14	5000	6	12500	2083.33	22416.67	3000	15000000	2250000.00	3750000.00	4999500.00
15	6000	6	15000	2500.00	26900.00	3000	18000000	2700000.00	4500000.00	5999400.00
16	7000	6	17500	2916.67	31383.33	3000	21000000	3150000.00	5250000.00	6999300.00
17	8000	6	20000	3333.33	35866.67	3000	24000000	3600000.00	6000000.00	7999200.00
18	9000	6	22500	3750.00	40350.00	3000	27000000	4050000.00	6750000.00	8999100.00
19	10000	6	25000	4166.67	44833.33	3000	30000000	4500000.00	7500000.00	9999000.00
20	11000	6	27500	4583.33	49316.67	3000	33000000	4950000.00	8250000.00	10998900.00

**MODI & AGRAWAL**

[www.modiagrawal.com](http://www.modiagrawal.com)

[www.industrialsubsidy.com](http://www.industrialsubsidy.com)

**COMPARATIVE STATEMENT OF NABARD SUBSIDY FOR RURAL GODOWN**

SR. NO.	MT.TON	HEIGHT	SQ. CU.M.T.	SQ. MTR.	SQ.FT.	NABARD RATE PER TON	NABARD COST	SUBSIDY		
								@ 15 %	@ 25 %	@ 33.33 %
21	12000	6	30000	5000.00	53800.00	3000	36000000	5400000.00	9000000.00	11998800.00
22	13000	6	32500	5416.67	58283.33	3000	39000000	5850000.00	9750000.00	12998700.00
23	14000	6	35000	5833.33	62766.67	3000	42000000	6300000.00	10500000.00	13998600.00
24	15000	6	37500	6250.00	67250.00	3000	45000000	6750000.00	11250000.00	14998500.00
25	16000	6	40000	6666.67	71733.33	3000	48000000	7200000.00	12000000.00	15998400.00
26	17000	6	42500	7083.33	76216.67	3000	51000000	7650000.00	12750000.00	16998300.00
27	18000	6	45000	7500.00	80700.00	3000	54000000	8100000.00	13500000.00	17998200.00
28	19000	6	47500	7916.67	85183.33	3000	57000000	8550000.00	14250000.00	18998100.00
29	20000	6	50000	8333.33	89666.67	3000	60000000	9000000.00	15000000.00	19998000.00
30	21000	6	52500	8750.00	94150.00	3000	63000000	9450000.00	15750000.00	20997900.00
31	22000	6	55000	9166.67	98633.33	3000	66000000	9900000.00	16500000.00	21997800.00
32	23000	6	57500	9583.33	103116.67	3000	69000000	10350000.00	17250000.00	22997700.00
33	24000	6	60000	10000.00	107600.00	3000	72000000	10800000.00	18000000.00	23997600.00
34	25000	6	62500	10416.67	112083.33	3000	75000000	11250000.00	18750000.00	24997500.00
35	26000	6	65000	10833.33	116566.67	3000	78000000	11700000.00	19500000.00	25997400.00
36	27000	6	67500	11250.00	121050.00	3000	81000000	12150000.00	20250000.00	26997300.00
37	28000	6	70000	11666.67	125533.33	3000	84000000	12600000.00	21000000.00	27997200.00
38	29000	6	72500	12083.33	130016.67	3000	87000000	13050000.00	21750000.00	28997100.00
39	30000	6	75000	12500.00	134500.00	3000	90000000	13500000.00	22500000.00	29997000.00

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**PACKAGE SCHEME OF INCENTIVES-  
2013  
GOVERNMENT OF MAHARASHTRA**



## PERIOD OF OPERATION

The 2013 Scheme, as may be amended by the Government from time to time, shall remain in operation from:-

**1st April, 2013 to  
31st March, 2018**

Type of unit	Taluka/ Area Classification	Minimum Fixed Capital Investment (Rs. Crore)	Minimum Direct Employment(Nos)
Mega Project	A & B	750	1,500
	C	500	1,000
	D & D+	250	500
	No Industry Districts & Naxalism Affected Area	100	250
Ultra Mega Project	Entire state	1,500	3,000

FINANCIAL  
INCENTIVES FOR  
MSMEs/LSIs  
UNDER PSI-2013



## ❖ FINANCIAL INCENTIVES FOR MSMEs/LSIs UNDER PSI-2013

- New MSME/LSI Units will eligible for **BASKET OF INCENTIVES** which includes:-
  - 1) Industrial promotion subsidy
  - 2) Interest subsidy
  - 3) Power tariff subsidy.
  
- The total quantum of incentives will be linked to the Fixed Capital Investment.
  
- The total quantum of incentives excluding the incentives of :-
  - exemption of electricity duty and
  - Waiver of stamp duty

and

the Eligibility Period will be as under :-

Talulka/Area	Ceiling as % of Fixed Capital Investment		No. of Years	
	Micro, Small & Medium Enterprises	LSI	Micro, Small & Medium Enterprises	LSI
A	---	---	7	7
B	20	---	7	7
C	40	30	7	7
D	70	40	10	7
D+	80	50	10	7
No Industry District	90	70	10	7
Naxalism Affected Area	100	80	10	7

# ❖ INDUSTRIAL PROMOTION SUBSIDY FOR LARGE SCALE INDUSTRIES

The eligible **New/Expansion Large Scale Manufacturing** Units, which are set up in different parts of the State, will be eligible for Industrial Promotion Subsidy (IPS) as follows -

## Industrial Promotion Subsidy for Large Scale Industries –

<b>Taluka/Area Classification</b>	<b>The Industrial Promotion Subsidy Every Year</b>
Naxalism affected area	100% VAT on local sales minus Input Tax Credit (ITC) or zero whichever is more + CST payable
No Industries Districts, Vidarbha and Marathwada	90% VAT on local sales minus ITC or zero whichever is more + CST payable
Group D+ Taluka (Other than Sr. No. 1 and 2)	80% VAT on local sales minus ITC or zero whichever is more + CST payable

## Industrial Promotion Subsidy for Large Scale Industries –

**Taluka/Area  
Classification**

**The Industrial Promotion Subsidy Every  
Year**

Group D Taluka (Other  
than Sr. No. 1 & 2)

70% VAT on local sales minus ITC or zero  
whichever is more + CST payable

Group C Taluka

60% VAT on local sales minus ITC or zero  
whichever is more + CST payable





## INTEREST SUBSIDY:-

- All eligible **NEW Micro, Small and Medium** Manufacturing Enterprises in areas other than **Group "A"** will be eligible for interest subsidy. (B/C/D/D+ )
- The Interest Subsidy will be payable **only on the interest actually paid to the Banks and Public Financial Institutions on the amount of term loans** taken for acquisition of Fixed Assets.
- The amount of interest subsidy will be calculated **@ effective rate of interest, after deducting the interest subsidy receivable** from any institution or under any **Govt. of India Scheme** and the **penal/compound interest or 5 % per annum, whichever is less.**
- The quantum of interest subsidy payable **every year** will **not exceed the bills paid for electricity consumed during the relevant year.**



## EXEMPTION FROM ELECTRICITY DUTY

A) All Eligible **New Units** in Group C, D, and D+ areas and No-Industry District(s) and Naxalism affected Area will be exempted from payment of Electricity Duty during eligibility period not exceeding 15 years.

B) In Group A and B areas:-

- 100% Export Oriented Units (EOUs),
  - Information Technology Manufacturing Units and
  - Bio-Technology Manufacturing units
- will also be exempted from payment of Electricity Duty for a period of 7 Years.
- Necessary Notification under the provisions of the Electricity Duty Act 1958 will be issued separately by the Energy Department.



## WAIVER OF STAMP DUTY

A) New Units as well as Units undertaking Expansion/ Diversification (including Mega and Ultra Mega Projects) will be exempted from payment of Stamp duty during the Investment period in Group “C, D, D+ Talukas, No Industry Districts and Naxalism affected areas.

B) In Group A and B areas, stamp duty exemption would be available as given below:

- BT Manufacturing and IT Manufacturing Units in Public Parks : 100%
- BT Manufacturing and IT Manufacturing Units in Private Parks : 75%
- Mega Projects - 50% for first conveyance deed only

***Explanation: Eligible New/Expansion Units of PSI-2007 will also be eligible for Stamp Duty Exemption during their investment period.***

Necessary Notification under the provisions of the Bombay Stamp Act 1958 will be issued separately by the Revenue & Forest Department.

# POWER TARIFF SUBSIDY





## POWER TARIFF SUBSIDY

- Eligible **New Micro**, **Small** and **Medium** Enterprises (MSME) will be eligible for power tariff subsidy.
- The subsidy will be to the tune of **Rs 1/- per unit for the Units** located in
  - Vidarbha,
  - Marathwada,
  - North Maharashtra and the Districts of
  - Raigad, Ratnagiri, Sindhudurg in Kokan Regionand  
Rs 0.50 per unit for the Units in other areas of the State for a **period of 3 years** from the date of commencement of commercial production, for the energy **consumed and paid**.
- The Units in **Group “A”** areas will however **not** be eligible for this incentive.



**Prithviraj Chavan,**  
Chief Minister  
Maharashtra



**Ajit Pawar,**  
Dy. Chief Minister  
Maharashtra



**Md. Arif Khan,**  
Minister for Textiles,  
Maharashtra



**Prakash Solanke**  
Minister of State for Textile  
Maharashtra

# TEXTILE POLICY

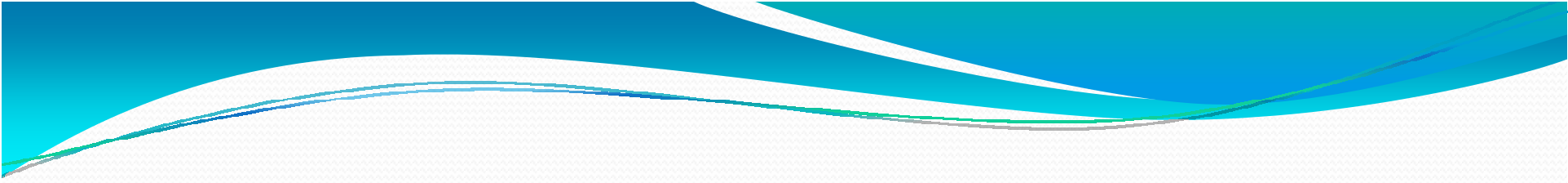
Government of Maharashtra  
Year 2011- 2017



**Ministry for Textiles**  
**Government of Maharashtra**



COTTON TO CLOTH SCHEME-1



10% capital subsidy  
to new, expansion textile Unit  
in Marathwada,  
Vidarbha and  
North Maharashtra.



- The scheme of 10% capital subsidy of the eligible capital investment for the **New, expansion Textile Units** set up in:-

1) **Marathwada** [ Aurangabad, Nanded, Latur, Jalna, Beed, Parbhani, Osmanabad, and Hingoli.] ,

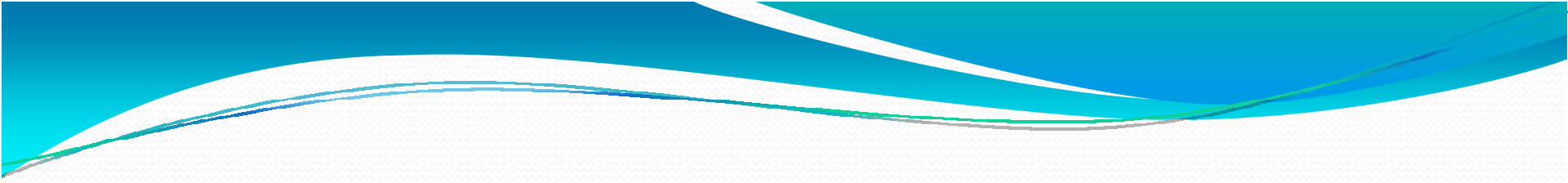
2) **Vidarbha** [Akola, Amravati, Bhandara, Buldana, Chandrapur, Gadchiroli, Gondiya, Nagpur, Wardha, Washim, Yavatmal]

AND

3) **North Maharashtra** [Ahmednagar, Dhule, Jalgaon, Nandurbar and Nashik.]

■ "Eligible Textile projects " means projects which are eligible for interest subsidy under centrally sponsored TUF scheme i.e

1. Cotton Ginning and Pressing
2. Spinning/silk Reeling & Twisting/ Intregrated Silk Park/ Synthetic Filament/Yarn texturing, crimping twisting.
3. Wool scouring, combing and carpet industry
4. Manufacturing of viscose filament yarn and viscose staple fibre
5. Weaving /Knitting
6. Technical Textile and non-wovens
7. Garment/Made-up manufacturing
8. Processing of fiber /Yarn/ Fabrics/ Garments/ made-ups
9. Modernization /Expansion/Rehabilitation of existing textile units
10. Textile parks (as approved by GOI under SITP)
11. Energy Saving & process control equipment for various sectors.
12. Skill Development Activities

- 
- For the said capital subsidy the original project cost eligible for interest subsidy under the Centrally sponsored TUF Scheme only shall be considered.
  - The benefit of 10% capital subsidy will not be admissible to any increase in the original project cost.
  - The said 10% capital subsidy shall be in addition to all the benefits available from all sources [i.e. Centrally sponsored TUFS, Industries Department's policy etc.] including the assistance in respect of interest subsidy available under the new Textile Policy of the State.



**COTTON TO CLOTH SCHEME-2**

Scheme for interest

subsidy on long-term

loans to textile projects /

units set up in

Maharashtra during 2011-17

linked with Centrally

Sponsored TUF Scheme



Scheme of interest subsidy on long-term loans linked to the Centrally sponsored TUF scheme.



- For the purpose of this scheme:-

- A) Either 12.5% OR

- B) Banks' prime lending rate OR

- C) The rate of interest actually charged,

- D) Whichever rate is less, will be taken as applicable rate of interest.

- The benefit under the said scheme will be admissible for :-

- 1) Newly set up textile units in the State

- 2) Modernization of existing textile units.

- 3) Expansion of existing textile units.

- 4) Rehabilitation of existing textile units.

## Duration of the Scheme. :-

- **Date 1.4.2011 to 31.3.2017.**
- If Centrally sponsored TUFS scheme is discontinued  
THEN
- The Scheme can be reviewed by the State Government without adversely affecting the claims of already approved units.



# The Mini Food Parks Scheme And Investment Potential in Mini Food Park projects

**Ministry of Food Processing Industries  
Government of India**



**By  
CA G.B. Modi**

# Components of the Scheme

The Scheme will have 2 components –

1. Mega food park
2. Mini food park



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## Minimum requirement of land –

- between 50 to 100 acres, depending upon business plan, availability of raw material and size of market
- The Mega Food Park projects will work on hub and spokes method having central processing centers surrounded by primary processing centers (PPC) and Collection Centers (CC)
- For PPCs/CCs – 2 to 3 acres of land required

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# Mini Food park

- Minimum requirement of land –
  - 30 acres for central processing center
- The Mini Food Park may or may not have the primary processing center/ collection center.



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# Pattern of Financial Assistance

## Mega Food Park –

- 35% of the eligible project cost (71 cr.) subject to max of
  - Rs. 25 crore as upfront of subsidy and Rs. 10 crore as interest subvention in 3 years on term loan
  - Rs. 25 crore as upfront subsidy and Rs. 15 crore as interest subvention in 5 years on term loan availed from banks in NE regions including Sikkim, other hilly areas and notified ITDP areas



# Pattern of Financial Assistance

## Mini Food Park –

- Capital grant @ 35% of the eligible cost (43 cr.) subject to max of
  - Rs. 15 crore as upfront of subsidy and Rs. 6 crore as interest subvention in 3 years on term loan
  - Rs. 15 crore as upfront subsidy and Rs. 9 crore as interest subvention in 5 years on term loan availed from banks in NE regions including Sikkim, other hilly areas and notified ITDP areas

# Land Requirement

- Minimum land requirement –
  - Mega food park – 50 acres
  - Mini food park – 30 acres
- Preference to proposals already possessing land and necessary permissions for industrial use
- Proposals not already possessing the land with necessary permissions but have identified requisite land, will be given approval only on acquisition of the land with permissions





# Pattern of Release of Grant

Capital grant to the project will be released in 3 installments

- The first installment of Rs. 10 crore of the approved upfront grant will be released after final approval subject to possession of land with requisite permission to use for Mega Food Park, incorporation of SPV and sanction of term loan and proportionate equity contribution by the SPV promoters





# Pattern of Release of Grant

- The second installment of Rs. 10 crore of upfront grant will be released to SPV subject to submission of utilization certificate of the first grant and proportionate expenditure from the term loan and promoters contribution
- The 3<sup>rd</sup> installment of Rs. 5 crore will be released to SPV subject to submission of UCs of the 2<sup>nd</sup> installment and proportionate expenditure of the term load and promoters contribution



# Pattern of Release of Grant

- For Mini food park, the 1<sup>st</sup>, 2<sup>nd</sup> 3<sup>rd</sup> installment will be Rs. 6 crore, Rs. 6 crore, and 3 crore respectively
- The interest subvention will be allowed only on the actual utilization of the term loan amount for the Mega/Mini food park development and will be paid directly to the concerned bank after the amounts payable are certified by the CA on half-yearly basis



# Project Monitoring Mechanism

- Periodic review will be undertaken by the Ministry to monitor the implementation status
- PMAs will assist the Ministry in monitoring the implementation through field visits and technical advice
- Ministry may also introduce 3<sup>rd</sup> party audit to scrutinize the extent of observation of Government norms in the project Implementation



**Government of Gujarat**  
Industries & Mines Department



**SCHEME FOR ASSISTANCE TO MANUFACTURING  
SECTOR**

**PERIOD:- 26/02/2013 TO 25/02/2018**

## **SCHEME: 1:-SCHEME OF INTEREST SUBSIDY:-**

**ELIGIBILITY:-** All new/ existing enterprises as defined in Para 1 above will be eligible for availing incentives under this scheme. New Enterprises will also get benefit for one time expansion or diversification /modernization/ technology up-gradation during the operative period of this scheme.

### **QUANTUM OF ASSISTANCE:-**

- Graded Interest subsidy for five years @7% for MSMEs and 2% for large Industries having an actual investment up to Rs. 100.00 Crores.
- Maximum amount of interest subsidy per annum shall be Rs.25 lakhs for MSMEs and Rs.50 Lakhs for large units.
- The unit applying within one year from the date of first installment of loan disbursement shall become eligible. In case the application is submitted after one year from the date of disbursement of the first installment, the incentive period and eligible amount shall be reduced proportionately from the date of first disbursement to the date of application. Thus the interest subsidy would not be eligible from the date of first disbursement of loan to date of application.
- This scheme will be supplementary to the Government of India scheme

## **SCHEME: 2:- ASSISTANCE FOR CORE INFRASTRUCTURE**

This assistance will be for enabling basic infrastructure facilities like development of internal roads, water distribution facilities, sewage collection and treatment, power distribution, communication facilities and such other facilities / services as may be required by any Industry Association or Institution registered under the Societies Act, Partnership Act or the companies act shall be eligible to avail assistance under the scheme.

### **QUANTUM OF ASSISTANCE:-**

- The new Industrial park will be provided incentive of 50% of total expenditure limited to Rs. 20 Core infrastructure developed within the Industrial Park.
- The developer of the Industrial Park and the first purchaser of the individual unit shall be eligible for exemption on payment of stamp duty and registration charge on purchase of land required for the project as approved by SLAC. However, subsequent transaction shall attract stamp duty other charges as applicable at the prevailing rates.

## **SCHEME: 3 :-ASSISTANCE IN SETTING UP OF COMMON FACILITIES:-**

**ELIGIBILITY:-** Group of industries, Industry Association / SPV of Industrial Association / or a private company registered under the societies Act, Partnership Act or the companies Act shall be eligible to avail assistance under the scheme.

### **QUANTUM OF ASSISTANCE:-**

One time assistance up to 80% of the total expenditure limited to Rs.10 Cores for the cost of plant & machinery testing equipment, electrification, installation shall be considered to a self sustained project as approved by SLAC.





## **SCHEME:- 4:- ASSISTANCE FOR COMMON EFFLUENT TREATMENT PLANT (CETP):-**

**ELIGIBILITY:-** An Industrial park promoted on self sustained basis by Industrial Association / SPV of association /Private Company would be eligible for setting up of project of CETP, incinerators and disposal of effluent.

### **QUANTUM OF ASSISTANCE:-**

GOI is also giving assistance for CETP. If contribution is available, then, including the assistance of GOI, assistance up to 75% of total project cost (i.e. Building, Plant and Machinery, civil construction and other fixed assets needed for the project and as approved by SLAC) will be given. If GOI assistance is not available the 40% assistance will be given.

## **SCHEME:5 :- ASSISTANCE FOR CENTER OF EXCELLENCE:-**

**ELIGIBILITY:-** Center of excellence in PPP mode with State/ State Institution/ industrial unit/ professional institutes shall be eligible for assistance under this scheme.

### **QUANTUM OF ASSISTANCE:-**

- Quantum of one time assistance shall be 70% of the total expenditure, including recurring expenditure for (3) years limited to Rs.20 crores in the case of national level center of excellence promoting value addition in the sub sector.
- Quantum of one time assistance shall be 70% of the total expenditure, including recurring expenditure for three (3) years, limited to Rs. 30 crores in the case of international level Center of Excellence promoting value addition in the six sub sector and in the area of innovation and entrepreneurship.



**Gujarat Industrial Policy-2009**  
**SCHEME FOR IMPROVING INDUSTRIAL**  
**INFRASTRUCTURE**  
**PERIOD:-27/2/2009 TO 27/3/2014**



## **SCHEME:-1:-SCHEME FOR ASSISTANCE TO CRITICAL INFRASTRUCTURE PROJECTS:-**

### **Eligible Investment:-**

Fixed capital investment in the project proposal will be considered for approval by the implementation committee.

The components of investment in the project and rates will be decided by the implementation committee constituted.

## QUANTUM OF ASSISTANCE:-

➤ Financial assistance to be extended would be subject to a review of the current status of infrastructure grading and there by estimation of cost/ investment.

➤ Under the scheme assistance will be considered depending upon the requirement of State contribution in the project identified in industrial park/ cluster /areas up- to 60% of project cost, with ceiling of assistance As below:-

✓ Rs.10 Crore in case the area of project is less or equal to 100 hectors

✓ Rs. 20 Crore in case the area is more than 100 hectors

➤ The promoter of the project shall commit to hold at least 20% equity participation in the project.

➤ The implementation committee may also approve project for providing last mile connectivity to the industrial parks/cluster/areas having area of more than 25 hectors .

➤ In case there is no private stakeholder for the development of infrastructure of 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.

## **SCHEME:-2:- SCHEME FOR FINANCIAL ASSISTANCE TO INDUSTRIAL PARK IN PPP MODE:-**

The scheme will be known as scheme for Financial Assistance to Industrial Estate/Parks in Public Private Partnership (PPP) mode and will come into force from issuance of this Resolution and remain in force for five years by 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.

### **QUANTUM OF ASSISTANCE:-**

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



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**Thank you very much  
for your kind attention!**

**See you again!**

