

**Doing Business in Gujarat
2008**

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1. INTRODUCTION

Situated on the west coast of India, Gujarat is one of the leading industrial states of the country. It covers a geographical area of 1,96,024 sq km and accounts for 5.96% of the total area of India. Led by entrepreneurial spirit and unfaltering State Government support, Gujarat is a manufacturing powerhouse with world class production capabilities. Gujarat accounts for 25.8%¹ of the country's total investment. A strong manufacturing sector is the edifice of economic activity in Gujarat. The state contributes 15.59% to the total value of output added by manufacturing² sector of the country.

1.1. The Land

Gujarat is the western most state of India and is bounded by the Arabian Sea in the west, by the states of Rajasthan in the north and north-east, Madhya Pradesh in the east, and Maharashtra in the south and south-east. It also shares an international boundary with Pakistan at the north-western fringe. The two deserts, one north of Kutch and the other between Kutch and mainland Gujarat are saline wastes.

Gujarat has a coast-line of about 1600 km which is the longest among all states of the country. For the purpose of administration, the State presently comprises of 26 districts.

1.2. The Climate

Due to the presence of a desert, the climate is mostly dry in the north-west, and wet in the southern districts because of heavy monsoon season. The temperature ranges from 10°C to 45°C in most parts of the State. The Arabian Sea and the Gulf of Cambay reduce the temperature and render the climate more pleasant and healthy. The year can be divided into: the winter season from November to February, the summer season from March to May, the south-west monsoon season from June to September, and the intervening month of October.

1.3. The People

The population of Gujarat as on March 1, 2001 stood at 50.06 million which is 4.93% of India's population. The growth rate of the population for the decade 1991-2001 was 22.66%. The density of Gujarat was 258 persons per sq km as opposed to 325 persons per sq km in India in 2001. The life expectancy at birth in Gujarat was 61 years, whereas in India it was 59 years in 1996. The literacy rate in the State stood at 69.97% in 2001, whereas in India it was 65% during the same year.

As per the population consensus 2001, 37.36³% population of Gujarat resides in urban areas. The proportion of the population involved in running owned business in Gujarat is the highest among all states in India. English, Hindi, and Gujarati are the three major languages of Gujarat.

¹ Reserve Bank of India Study Report, 2007

² Socio Economic Review, 2008

³ Socio Economic Review 2007-2008

2. GOVERNMENT CONSTITUTION AND ECONOMIC CLIMATE

2.1. Government Constitution in India

Central Government

India is a sovereign, socialist, secular, democratic republic. It follows a federal form of government. Each state is administered by a state government, while the central government is in charge of overall administration of the country.

At the central level, India has a bicameral legislature. The Union Parliament comprises the Lok Sabha and the Rajya Sabha. The members of the Lok Sabha are directly elected by the people of the country, while majority of the members of Rajya Sabha are representatives of the states and union territories. The leader of the majority party in the Lok Sabha usually becomes the prime minister of the country.

India has an independent judicial system. The Supreme Court is the apex judicial authority; below it are the High Courts which head the judicial system in each state. Under each High Court, there is a hierarchy of subordinate courts; district level and lower.

State Government

Each state has a legislative assembly. The members of the assembly are elected by the people of the state. The head of the state is the Governor, appointed by the president of the country. Each state also has a cabinet headed by the chief minister responsible to the elected State Legislature. The chief minister is responsible for the overall administration of the state.

2.2. Financial System of India

India's financial system has kept pace with the growing needs of its corporate and retail borrowers. Interest rates are market-determined and have shown a downward trend over the last few years.

2.2.1. Reserve Bank of India (RBI)

Established in 1935, RBI is the central bank of the country. It regulates and supervises the Indian financial system. It formulates, implements, and monitors the monetary policy of the country, manages the country's foreign exchange reserves, prescribes exchange control norms to facilitate external trade and payment, and acts as a banker to the Central and State Governments.

2.2.2. Types of Institutions

The components of the Indian banking system are:

- Scheduled commercial banks
- Urban and state co-operative banks
- Regional rural banks
- Non Banking Financial Institutions(NBFI)

2.2.3. Scheduled commercial banks are of three types:

- Public sector banks
- Private sector banks
- Foreign banks

2.2.4. Cooperative Banks and Regional Rural Banks

Cooperative banks cater to the credit needs of specific communities in a region and operate in urban and rural areas. They have been established under the respective State Co-operative Societies Acts and are administered by the state authorities. However, their banking activities come under the purview of the RBI.

Regional rural banks were established under an act of the Parliament to improve credit delivery in rural areas. They are sponsored by the Central and State Governments and other public sector banks, in the ratio of 50:15:35.

2.2.5. Non-Banking Financial Institutions (NBFI)

These institutions offer enhanced equity and risk-based products. They help in broadening access to financial services and enhancing competition and diversification of the financial sector. The NBFI segment comprises all India and state level financial institutions, NBFIs (Non Banking Financial Corporations) which are private sector entities providing niche financial services, and primary dealers.

2.3. Overview of Indian Economy⁴

2.3.1. Gross Domestic Product (GDP): The GDP of India at factor cost in the year 2006-07 was US\$698.61 billion⁵. The real GDP growth rate has been 9.6% during the year 2006-07 as against the growth rate of 9.4% during the previous year. At constant prices, the national income showed an increase of 9.7 % over the previous year. According to the latest available estimates for the year 2007-2008, the economy is growing at 8.7%.

2.3.2. Agriculture: For the year 2006-07, agriculture accounted for 18.5% of the GDP. India is among the leading producers of sugarcane, tea, cotton, and jute in the world. Cashews, coffee, and spices are important cash crops of India. The country is one of the world's largest producers of fruits and vegetables. According to latest available estimates, growth rate in agriculture, forest, and fishing for 2007-08 is 2.6%.

2.3.3. Industry: India, as one of the largest industrialised nations, has a well diversified industrial base covering infrastructure, heavy machinery, machine tools, basic metals, mining, petroleum and petrochemicals, pharmaceuticals, chemicals, transport equipment, food processing, etc. As per the Index of Industrial Production, overall growth in the sector was 9.2% during April to November 2007, as against 11.6% in 2006-07.

2.3.4. Services: The sector grew at a rate of 11% during the year 2006-07. Trade, hotels, transport, and communication services registered a growth of 13% in 2006-07. Financial services registered a growth of 11.1% during the same period. The sector contributed 61.8%^[3] to India's GDP during 2006-07. As per the latest estimates, for the year 2007-2008 the services sector is growing at 10.7%.

2.3.5. Inflation Rate: The inflation rate measured by change in Wholesale Price Index (WPI) averaged at 4.8% during 2006-07. As measured by the aggregate deflator for GDP MP, the inflation for 2007-08 is 4.1%.

2.3.6. Foreign Exchange Reserves: Foreign exchange reserves increased by US\$91.6 billion to US\$290.8 billion on February 2008.

2.3.7. Bank Rate: The bank rate, repo rate, and reverse repo rate as on April 1, 2008 are 6%, 7.75%, and 6% respectively.

⁴ Economic Survey of India 2007-2008, Economic Survey of Gujarat 2007-08

⁵ Rs 28643090 crore at a conversion rate of Rs 41 per US\$

³ Gujarat Review 2007-08

2.3.8. Foreign Direct Investment (FDI) Inflow: The net foreign direct investment inflows experienced 150% increase in 2006-07 which stands at US\$23 billion in 2007-08.

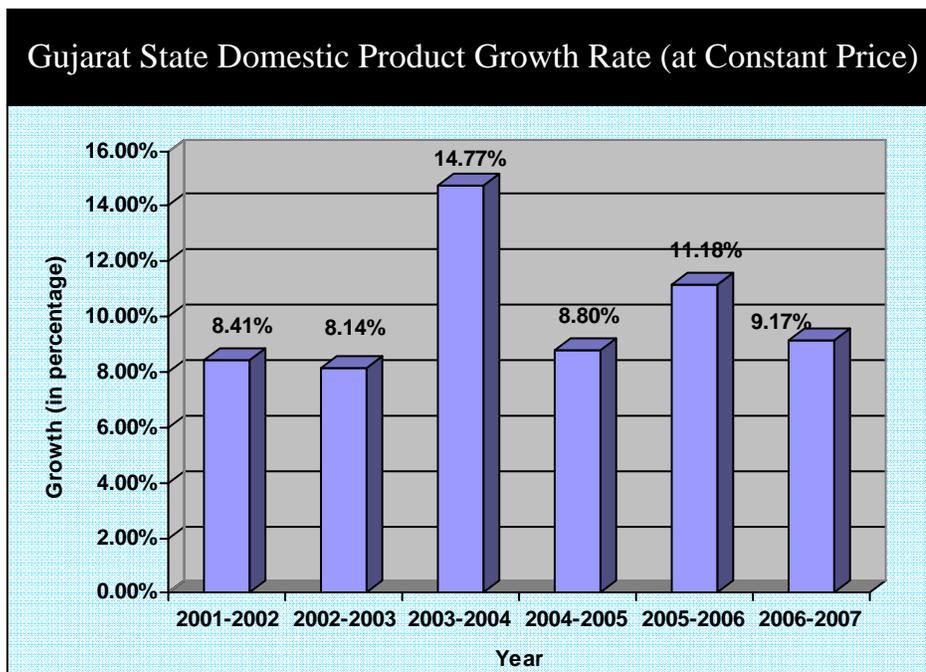
2.3.9. Principal Exports: The exports totaled US\$126 billion in the year 2006-07. Major exports include cotton yarn and textiles, readymade garments, gems and jewellery, and agricultural products. Merchandise export growth is estimated to decrease from 22.6% in 2006-07 to 21.6% during April to December 2007.

2.3.10. Principal Imports: The imports totaled US\$185 billion in the year 2006-07. Major imports include capital goods, crude petroleum and petroleum products, precious and semi-precious stones, chemicals, edible oils, and fertilizers. Imports are estimated to increase from 24.5% in 2006-07 to 25.9% during April to December 2007.

2.4. Overview of Gujarat Economy

2.4.1. Gross State Domestic Product

Gross State Domestic Product (GSDP) at factor cost at constant (1999-2000) prices in 2006-07 was US\$45.30 billion as against US\$41.52 billion in 2005-06. The GSDP registered a growth of 9.17% at constant prices in the year 2006-07. Gujarat contributed 6.50% to the Gross Domestic Product (GDP) of India in the year 2006-07.

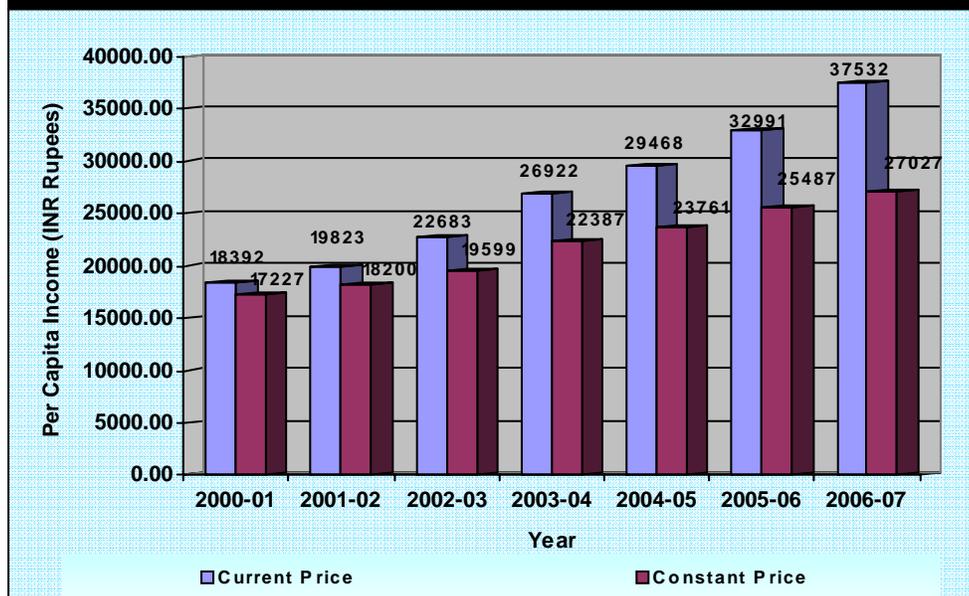


Source: Socio-Economic Survey 2007-2008

2.4.2. Per Capita Income

The per capita income at current prices has been estimated at US\$915 in 2006-07 (higher than the national average of US\$627) as against US\$805 in 2005-06, registering an increase of 13.76 % during the year.

Per Capita Income: Gujarat



Source: Socio-Economic Survey 2006-2007

2.4.3. Agriculture

Agriculture is well established in terms of natural resources, skilled labour force, enterprising farmers, and the market network. The major food crops in the state are rice, wheat, jowar, bajra, maize, tur, gram, groundnut; while major non food crops are cotton, tobacco, and isabgul. Agriculture accounted for around 18.22% (at constant prices) of the State's GSDP in the year 2006-07.

2.4.4. Industry

The secondary sector accounted for 37.78% (at constant prices) of the State's GSDP in the year 2006-07. Gujarat ranks second in state-wise percentage share of Net Value Added by manufacturing in the factory sector of India according to the Annual Survey of Industries (2004-05). Gujarat has been a front runner in industries including textiles, chemicals, petrochemicals, pharmaceuticals, engineering, oil and gas, ceramics, gems and jewellery, and agro-based products. There are around 202 industrial estates in Gujarat.

2.4.5. Services

The services sector contributed 44.00% (at constant prices) to the State's GSDP in the year 2006-07. Services included trade, hotels, transport, communication, and financial services.

2.4.6. Social Infrastructure of Gujarat

The State is home to India's leading business school Indian Institute of Management, Ahmedabad (IIM-A), and other important institutes such as National Institute of Design (NID), National Institute of Fashion Technology (NIFT), and Entrepreneurship Development Institute (EDI). Apart from the leading institutes the State is also home to 44 engineering institutes and 41 management schools. Further, the State Government plans to establish a shipbuilding university, the first of its kind in the country and it is going to be established in Kutch.

Besides, the State has a well established health infrastructure including multi-speciality hospitals managed by reputed groups. The State also has multiplexes and multi cuisine restaurants for entertainment.

2.4.7. Factories

The number of working registered factories in the State has increased from 22155 at the end of year 2005(P) to 22480 at the end of the year 2006 (P). The average daily employment in the working factories has also increased from 0.98 million at the end of year 2005(P) to 1.04 million at the end of year 2006(P).

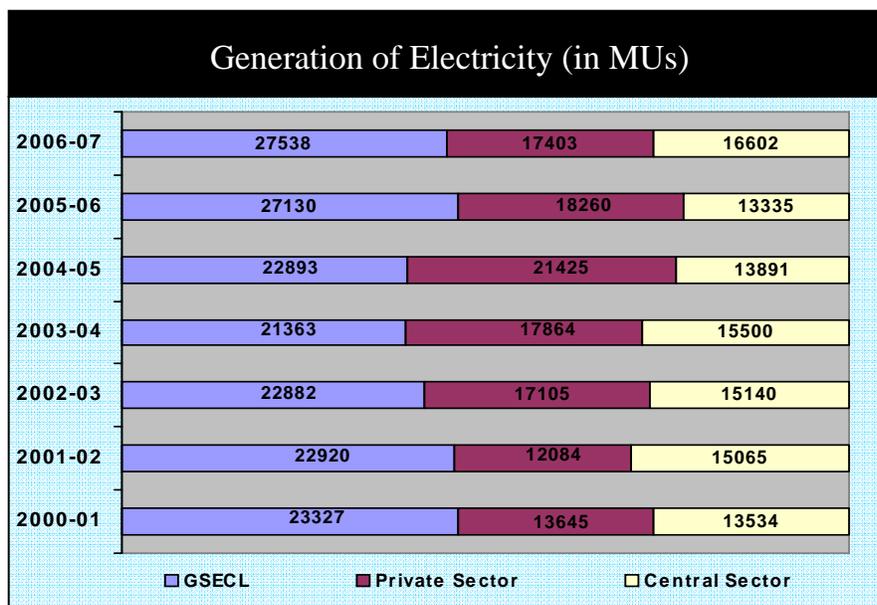
2.4.8. Mining

As per provisional estimates, the production of agate, steatite and gypsum during the year 2006-07 was 38, 1105 and 156 tonnes respectively. The production of limestone, lignite, bauxite, laterite and dolomite were 22482, 9810, 3214, 262 and 325 thousand tones respectively. The production of clay (others), china clay, bentonite, quartz, silica sand and chalk were 5582, 492, 896, 223, 961 and 199 thousand tonnes respectively. The production of crude oil and natural gas was 6212 thousand tonnes and 3294 million cubic meters respectively during the year 2006-07.

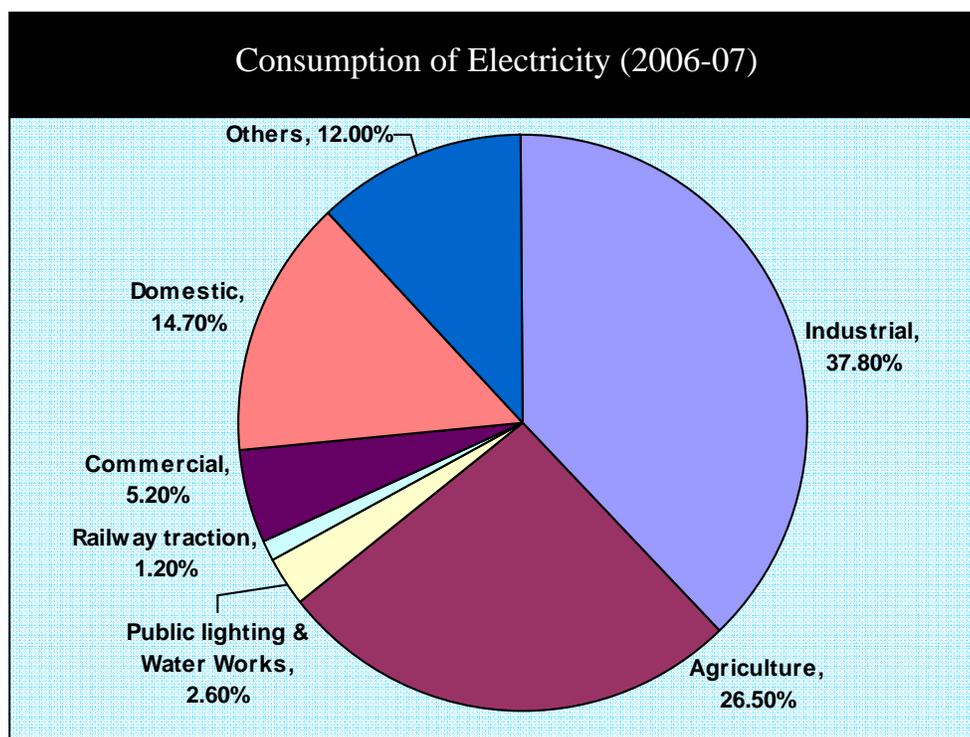
2.4.9. Power

The installed power capacity of the State as on March 31, 2007 was 9561 MW. The total generation of electricity in the State including private sector and central sector share was 61543 MU in 2006-07 as against 58724 MU generated during the previous year 2005-06. The total consumption of electricity during 2006-2007 was 41513 MU as against 38358 MU in 2005-06.

The per capita consumption of electricity during the year 2006-07 was reported to be 1354 units. (as per CEA's revised formula) as against 1313 units of the previous year 2005-06.



Source: Socio-Economic Survey 2007-08



Source: Socio-Economic Survey 2007-08

Power Sector Reforms

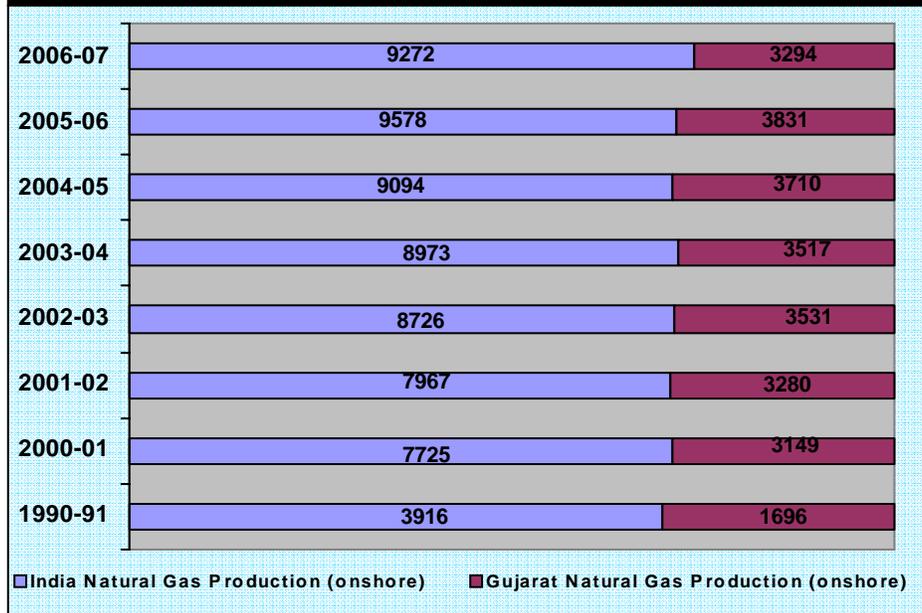
The Gujarat Government has enacted the Gujarat Electricity Industry (Reorganisation & Regulation) Act in May 2003. The act aimed at reorganisation and rationalisation of electricity industry in the state. It also aimed at establishing the State Electricity Regulatory Commission (SERC) for regulating the electricity industry and all other in related aspects. The salient features of the act are:

- Reorganisation of the Gujarat Electricity Board
- Empowering the state regulator to become the nodal agency for regulating the industry in Gujarat, determining tariff, wheeling charges, surcharge etc.
- Defining role of state government
- Aligning tariffs towards cost of supply

2.4.10. Natural Gas

Gujarat has been one of the earliest oil/gas producing states in the country. Oil and gas reserves in Gujarat are located at Ankleshwar, Mehsana, Tapti High (which is India's second largest producer of gas), Hazira, Bharuch, Gandhar, Dahej, Jambusar, Palej, Kalol, and isolated gas fields around Ahmedabad. Below are figures for gas production in the state during 2001-2006:

Natural Gas Production Gujarat vis-à-vis India (in million cu. cm.)



Source: Ministry of Oil & Natural Gas

Gujarat holds the unique distinction of being the only state with more than one gas producer currently. Apart from ONGC Gujarat State Petroleum Corporation Ltd. (GSPC), Cairn Energy and Niko Resources are involved in the process of production of natural gas in Gujarat. Private players including Adani Group and British Gas and public sector companies like GAIL, BPCL, GSPC Gas Company are involved in gas distribution.

Hazira and Dahej LNG terminals of Gujarat are the only LNG terminals in the country. LNG terminals are proposed at Mundra and Pipavav. Besides, Gujarat has an extensive transmission network. A Gas grid of around 1600 km is in operation, around 256 km is under construction.

2.4.11. Airports

There are 11 airports under the operational jurisdiction of Airports Authority of India (AAI)

- International airport: Ahmedabad
- Domestic airports: Ahmedabad, Vadodara, Surat, Jamnagar, Rajkot, Bhavnagar, Porbandar, Bhuj, Keshod, and Deesa airports

2.4.12. Ports

The State has 40 minor and intermediate ports, geographically dispersed across South Gujarat (13 ports), Saurashtra (23 ports) and Kutch region (4 ports) and one major port. Besides this, there are 3 private ports in the State. Kandla is another major port and is under the control of Central Government of India.

The total cargo handled by the Kandla Port in quantitative terms has increased from 45.907 million tonnes in the year 2005-06 to 52.982 million tonnes in the year 2006-07, showing an increase of 15.41 % over the previous year (including transshipment). The intermediate and minor ports of Gujarat handled a total cargo of 132.442 million tonnes during the year 2006-07 as against 108.075 million tonnes handled during the preceding year, showing an increase of about 22.54 %.

2.4.13. Roads

The total length of roads (except Non-plan, Community, Urban and Project roads) in the State has increased to 74038 km by the end of 2005-06 from 73724 km at the end of 2004-05. Out of the total road length of 74038 km at the end of the year 2005-06, the length of National Highways, State Highways, Major District Roads, Other District Roads and Village Roads was 2867 km, 18702 km, 20707 km, 10503 km, and 21259 km, respectively.

2.4.14. Motor Vehicles

The number of registered motor vehicles has increased from 8.62 million at the end of 2005-06 to 9.49 million at the end of 2006-07, showing a growth of 10.15 % over the year 2005-06. It has further increased to 10.02 million by the end of November, 2007. About 73.73 % of the total registered vehicles were motor-cycle class vehicles (two wheelers).

2.4.15. Post & Telecommunications in Gujarat

As on October 13, 2007, there were 8968 post offices/branches and as on October 31, 2007 46 telegraph offices comprising of five Central Telegraph Offices, 35 Departmental Telegraph Offices and six Telecom Centers and 41 customer service centres in the State.

As on October 31, 2007, there were nearly 236.6 million telephone connections working in the State. As on November 30, 2007, there were 14.6 million Cellphone subscribers in the Telecom Circle of Gujarat.

2.4.16. Banking* in Gujarat

The number of scheduled commercial bank offices in the State was 3926 (as on September ?, 2007). The aggregate deposits of these commercial bank offices amounted to US\$29.08 billion as on March 31, 2007. The total bank credit advanced was of the order of US\$18.76 billion. The Credit- Deposit Ratio (CDR) of the State was 64.51% as on March 31, 2007.

Highlights of Gujarat Economy*

- The state accounts for 15.59% of country's investment and 10% of country's expenditure. (Source: www.gujaratindia.com)
- Key industries in Gujarat include chemicals and petrochemicals, drugs and pharmaceuticals, dairy, cement and ceramics, textiles, auto and engineering, and gems and jewellery. Further impetus is being provided to Gujarat's economic prosperity by urban, port and SEZ led infrastructure development.
- Gujarat's rate of growth of industrial output was 20% in 2006-07
- Gujarat is the only state in India which offers investors clear exit options in terms of termination of labour and closure of industrial unit in a Special Economic Zone (SEZ)
- Gujarat is an industrially peaceful state with the lowest number of man-days lost in the country.
- Gujarat has the largest chemicals industry in the country. It is the leading producer of cement , salt and soda ash in India.
- Gujarat has the largest diamond processing industry in the country.
- It's the leading producer of fennel, castor seeds and psyllium husk in the world.
- Gujarat has the world's largest grass root refinery located at Jamnagar.
- Gujarat is home to Kandla, India's first and largest special economic zone (SEZ). It is also one of India's largest ports with a capacity of 45.9 MMTA (million metric tonnes per

annum). Most of the bulk traffic (10.8%) of the country is handled from Kandla port which amounts to 150 MMTA.

- Gujarat is the first state in the country where ports are being privatised through built-own-operate and transfer (BOOT) scheme. Gujarat has opened the country's first private sector ports Pipavav and Mundra by implementing the BOOT scheme. In addition, the liquid cargo (chemicals) handling port at Dahej is the first of its kind and has been set up as a joint venture.
- The state has the highest number of airports(11) in India, including an international airport, in Ahmedabad.
- Gujarat has an extensive road network exceeding 74000 km. The Ahmedabad-Vadodara expressway is now open for transportation.
- It brought the gas grid in operation and sensitised the nation to the fact that gas can be used to transform lives.
- The first state in India to notify the Disaster Management Act.
- Gujarat is home to India's first LNG Terminal located at Hazira. Another LNG terminal is located at Dahej.

*Sources: IBEF Report, BIG report, CMIE Monthly Review of Gujarat Economy April 2006

2.5. Leading Industries of Gujarat

2.5.1. Agro & Food Processing Industry

Gujarat is endowed with abundant natural resources in terms of varied soil, climatic conditions and diversified cropping pattern suitable for agriculture activities.

The agriculture sector of the State is growing at 16% more than the national rate. The focused crops of the State include rice, pulses, groundnut, sesame, castor, banana, mango, potato, onion, green vegetables, medicinal plants, cumin, fennel, isabgul, milk and milk products, fish and marine produce.

Key Initiatives

- Exhaustive Agro Industrial policy
- *Krishi Mahotsav* programme for promoting farming community
- *Soil Health Card* to increase income of farmers
- District wise Rashtriya Krishi Vikas Yojana
- National Horticulture Mission
- Contract farming
- Implementation of critical infrastructure like air cargo complex for perishable products, pack house for banana, VHT and integrated pack house for fruits and vegetables
- Agri export zones for mango and vegetables, onion and Sesame seeds
- *Sardar Sarovar project* and *Sujlam Suflam Yojana* for water irrigation for increasing crop production
- Proposed research and development center for onion and garlic at Bhavnagar district
- Set up of Air cargo complex for perishable commodities at Ahmedabad to facilitate investments in Hitech agriculture, Agri infrastructure and Agro processing in the State.
- Opening of **alternate agriculture market channel** viz. wholesale market, private markets, e-markets, terminal markets, etc.
- Strengthening the **supply chain from production to market** of major fruits and vegetable under State Horticulture Mission.

Key Credentials of the Industry

- Largest producer of castor and cumin in the world.
- 2nd largest producer of sesame and groundnut in India.
- Largest producer of cotton in India.
- Largest processor of isabgul in the world.
- Diversified crops and cropping systems.
- Climatic diversities - eight agro climatic zones to act as support
- Strong agriculture marketing network with available Agricultural Produce Marketing Committees (APMCs), market yards and cold storage units.
- Four agriculture universities to generate enough skilled manpower and to provide strong research capabilities.
- Existence of specific production and processing clusters
- Strong dairy sector with famous brands such as Amul, Vadilal
- Emerging fisheries industry with Gujarat being leading producer of marine fish in the country

Comparative Productivity (Tonnes/hectare)		
Crop	World	Gujarat
Banana	16.93	54.52
Onion	18.45	23.83
Potato	16.73	26.95
Tomato	27.30	23.72
Wheat	2.80	2.45

Fig.2: Gujarat Agriculture performance 2006-07

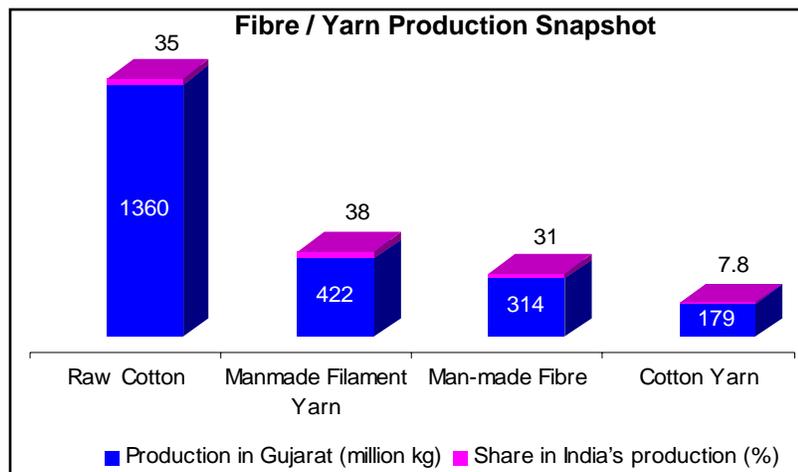
Key Players

- Amul
- Adani
- Godrej Agrovvet Ltd.
- McCain Foods
- Parle
- Ramdev Masala
- Rasna
- Vadilal
- Vimal

2.5.2. Textiles and Apparel

The textiles industry (organised sector) contributes 6% to the total industrial production in Gujarat. The State accounts for 12% of India's textile exports in the organised sector. Export items include raw cotton, synthetic products, denim, processed and texturised yarn, grey woven and knitted fabrics, non-woven fabrics, bed linen, and garments. Gujarat has 18 textile related product clusters, Ahmedabad and Surat being two of the

major clusters. Ahmedabad was earlier known as “Manchester of the East” and is now being referred to as the “Denim City.” Surat is referred to as the “Silky city sparkling with diamonds”, specifying the two industry segments that Surat is famous for – Silk & Diamonds. Major investment opportunities of the industry are in technical textiles, home furnishings and garment processing.



Technical textiles is a key emerging area in the textiles industry in Gujarat, with over 860 units engaged in the production of the same. Gujarat has five SEZs and six industrial parks specific to the textiles industry.

Area	Textile Clusters
Ahmedabad	Cotton and blended fabric, denim, made-ups, ladies' dresses, textile machinery and spare parts
Surat	Art silk fabric, synthetic textiles, Jari manufacturing, embroidery, textile machinery and spare parts
Umargam	Modern power looms, synthetic suiting and shirting
Jetpur	Hand printing and processing units
Manavadar	Cotton ginning
Kutch	Textile handicrafts

The State has several educational institutes offering courses to generate sufficient skilled manpower related to this industry, including:

- Ahmedabad Textile Industrial Research Association (ATIRA)
- Man-made Textile Research Association (MANTRA), Surat
- National Institute of Fashion Technology (NIFT), Gandhinagar
- Apparel & Leather Technics (ALT) Training College, Ahmedabad
- National Institute of Design (NID), Ahmedabad
- Surat Education & Research Society

Key Initiatives

- Establishment of Centres of Excellence at ATIRA and MANTRA for providing training in technical textiles domain.
- Financial Support to ATIRA and MANTRA since 2004 for training weavers, jobbers and power loom owners regarding technology upgradation.
- Provision of stipend to trainees in all five power loom service centers in Gujarat.
- Formulation of scheme for setting up Apparel Training Institutes (ATIs), under which 28 Industrial Training Institute (ITIs) have been upgraded and 15 other new ATIs have been approved, in government and private sectors. They are expected to generate over 18,000 skilled manpower per annum.
- Financial assistance to National Institute of Fashion Technology (NIFT) for providing “*Training to Trainers*”.

Key Credentials of the Industry

- Largest producer (35 %) and exporter (60%) of Cotton in India.
- Area under cotton cultivation is 2.49 million hectare (2007-08) – *largest in the world*.
- Over 95% of Power loom machinery manufacturers of India, are in Gujarat.
- Surat is India’s strongest base for synthetic fabrics.
- Largest number of multihead machines, embroidery machines in the world (over 40,000) installed in last three years (Surat).
- Third largest in the world and largest in India (65-70%) in the production of Denim.
- Over 24% to 28% of fixed investment, production value and employment of Small Scale Industries (SSI) is from textiles sector.
- Gujarat’s strengths across the value chain:
 - Raw material production (cotton, jute, silk, wool)
 - Ginning (Production of fibre)
 - Weaving (Production of fabric)

Key Players

- Alok Industries Limited
- Arvind Mills
- Ashima Group
- Bharat Vijay Mills
- Chiripal Group
- Digjam
- Dinesh Mills
- Garden
- Ginni Filaments
- Gujarat Ambuja Exports Ltd.
- Jindal Worldwide Limited
- Mafatlal Industrial Limited
- Raymond
- Reliance Industries Limited
- Vardhman Group
- Welspun India Limited

2.5.3. Gems and Jewellery

Gujarat is essentially known as the **Gems and Jewellery hub of India**. It is specifically known for diamond processing *where every eight out of ten diamonds in the world are being processed in Gujarat*. The major Gems and Jewellery clusters in Gujarat are concentrated in the districts of Surat, Ahmedabad, Rajkot and Vadodara. Surat is popularly referred to as the “Silk City sparkling with diamonds.” Rajkot is internationally known for its unique hand made gold and silver ornaments which constitute 85% of the total jewellery production in India. There are nine assaying and hallmarking centers in Gujarat.

Gujarat’s presence in the Gems and Jewellery Value Chain

	Mining	Processing	Fabrication	Consumption
Diamond		Established Presence	Emerging Centre / Market	Emerging Centre / Market
Gold			Established Presence	Established Presence
Platinum			Emerging Centre / Market	Emerging Centre / Market
Silver & Others		Established Presence	Established Presence	Established Presence

Established Presence
 Emerging Centre / Market

Gems & Jewellery Clusters

District	Gems and Jewellery Clusters
Ahmedabad	Diamond processing, Gold and Silver Jewellery
Surat	Diamond processing, Jewellery
Palanpur	Diamond processing
Bhavnagar	Diamond processing
Navsari	Diamond processing
Rajkot	Gold and Silver Jewellery
Khambhat	Gemstone (Agate)
Valsad	Jewellery

Major investment opportunities are in sectors of fabrication of gold jewellery, studded jewellery, jewellery retail and sourcing of rough diamonds for processing.

Several institutions offering courses specific to Gems and Jewellery include

- Indian Diamond Institute (IDI), Surat
- National Institute of Fashion Technology (NIFT), Gandhinagar
- National Institute of Design (NID), Ahmedabad

Key Credentials of the Industry

- There are two SEZs specific to Gems and Jewellery industry in Gujarat.
- Gujarat accounts for 72% of the world’s share of processed diamonds and 80% of total diamonds processed in India.

- 90% of total diamonds in Gujarat are processed by about 10,000 diamond units located in and around Surat.
- Diamonds processed in Gujarat were estimated to be worth US\$9000 million (2004-05), constituting 80% of India's total diamond export.

Key Players

- Forever Precious Jewelry & Diamonds
- Karp Manufacturing
- Sanghavi Exports
- Venus Jewels

2.5.4. Oil & Gas

Gujarat ranks first in the production of crude oil (onshore 54.8%) and Natural gas (onshore 35.5%) in India. Gujarat is the only state in India with a state wide gas grid and multi gas suppliers. The State has the potential to become national hub for gas due to proximity to Middle East gas sources and attractive northern market.

The natural gas produced in the western offshore fields in India is partly brought to Hazira (Gujarat), where it is sweetened and partly utilised in Hazira itself, while the remaining is fed into the Hazira-Bijapur-Jagdishpur (HBJ) pipeline, which passes through Gujarat, Madhya Pradesh, Rajasthan, UP, Delhi, and Haryana. Vaghodia (Vadodara district in Gujarat), is one of the major natural gas extraction regions in India.

Key Initiatives

- There are 80 CNG stations in Gujarat set up by Gujarat Gas Corporation Limited (GGCL), Adani Group and Gujarat State Petroleum Corporation (GSPC).
- The only state having an extensive transmission network, almost 1200 km of gas grid is in operation and around 800 km is under construction and an expansion of around 200 km is planned.
- GSPC is India's only State Government owned company in the oil and gas exploration and production business. GSPC is known for India's largest gas discovery in KG Basin on the coastline of Andhra Pradesh.
- A petroleum university has been established near Gandhinagar in collaboration with Gujarat Energy Research & Management Institute (GERMI) and GSPC.
- Establishment of petroleum, chemical and petrochemical estates around Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR).

Key Credentials of the Industry

- The State has the highest number of oil and gas fields (onshore and offshore) in India (32.2%).
- 35% of India's installed refining capacity is in the State of Gujarat, which is the highest in India.
- Reliance Petroleum limited at Jamnagar (Gujarat) is the largest refinery in India and the biggest grassroots refinery in the world.
- Gujarat is the only state having two LNG Terminals (Dahej and Hazira).

Key Players

- Adani Group
- British Gas
- Cairn Energy

- Essar Oil
- Hazira LNG & Port Company
- GAIL
- GGCL
- GSPC
- Indian Oil Corporation Ltd.
- ONGC
- Petronet LNG Limited
- Reliance Industries Limited
- Shell

2.5.5. Healthcare

The healthcare landscape in Gujarat is changing rapidly. Gujarat offers holistic medical services and cost effective treatment through various district hospitals, sub district hospitals and Private Specialty Hospitals. Most sought after super-specialty hospitals in the State include cardiology, neuro- surgery, orthopedics, infertility treatment, joint replacement, and eye surgery units.

Key Initiatives

- Chiranjeevi Yojna - Gujarat health department worked out a scheme of PPP in 2005 through a series of collaborations with key stakeholders to provide delivery care to the poor in rural areas.
- Hyderabad-based Emergency Medical Research Institute (EMRI) with GoGI takes care of road and fire accident victims on a 24-hour basis through out the year by just dialing 108.
- State Health Action Plans 2008 – 2009
- The department of Health and Family Welfare, GoG aims at minimising regional variations in the areas of Reproductive and Child Health (RCH) including population stabilization through an integrated, focussed and participatory program in the area of Family Planning, Maternal Health, Child Health, Adolescent Health.
- Hospital management and Information system.
- Launched Pre-Hospital Medical emergency services like multiple level trauma centers, centralized ambulance services, trained personnel, injury surveillance/information system, training / awareness of community.
- Health Insurance
 - Integrated Insurance Scheme: This community based health insurance scheme is run by the NGOs to include health insurance as part of a wider insurance package including life, accident and asset insurance.
 - Employees State Insurance Scheme, Gujarat.
 - Swasthya Bima Yojna Gujarat : Insurance scheme for the workers and their family members (family unit of five) belonging to Below Poverty Line category in the unorganized sectors.

Key Credentials of the Industry

- State-of -Art Hospitals: Gujarat has various corporate hospitals with state-of-art medical facilities.
- Indian System of Medicine (Ayurveda): Healthcare in Gujarat is evolving around Ayurveda, Yoga and Naturopathy, Unani, Siddha, and Homoeopathy system of medicines.
- Each district has a Quality Assurance Group with a clear mandate for steering Quality Assurance programme interventions.
- Investment Information and Credit Rating Agency of India Limited (ICRA) has graded six hospitals under the grading agency's pioneering services of Grading Healthcare Institutions in India. One medical

- college hospital – District Hospital Ahmedabad, Vadodara, Surat, Mehsana, Gandhinagar, Sola, Godhara and Junagadh.
- Gujarat has many public private partnership projects in healthcare sector. Some of them are mentioned below:
 - Institute of Kidney Diseases and Research Centre (IKDRC), U.N. Mehta Institute of Cardiology and Research Centre, and Gujarat Cancer Research Institute (GCRI) are government funded institutes operated by various private organizations.
 - Wockhardt Hospitals Group (WHG), along with the Government of Gujarat will conduct and manage the 275-bed Palanpur Civil General Hospital.
 - 108 grant-in-aid hospitals.
 - Medical Tourism: Gujarat has become a lucrative destination for people wanting to undergo the best treatment at cost-effective rates.

Key Players

- Apollo Hospital
- Gujarat Cancer Research Institute (GCRI)
- Dabur Ayurvedic Centre
- Krishna Heart Institute
- Institute of Kidney Disease & Research Centre (IKDRC)
- Lion's Cancer Detection Centre
- Muljibhai Kidney Hospital
- Medisurge Hospital
- Patel Surgical Hospital
- Rajasthan Hospital
- SAL Hospital
- Shalby Hospital
- Sterling Addlife India Limited
- Wockhardt Hospital

2.5.6. Pharmaceuticals

Gujarat is known as the hub of Indian pharmaceutical industry contributing around 42% of India's pharma turnover and 22% of exports. The State manufactures and exports different dosage forms including tablets, capsules, dry syrup, vaccines, APIs, intermediates, Biopharma products and many others. The State is also home to traditional medicine players in Ayurveda and Homeopathy.

Key Initiatives

- State has allowed setting up of SEZs specific to the sector.
- Introduction of Pharmaceutical Technology Upgradation Fund Scheme of 51% interest subsidy for implementation of Schedule M of Drugs and Cosmetics Rules for Good Manufacturing Practices.
- Establishment of National Institute for Pharmaceutical Education and Research (NIPER) for Human resource development.
- Promotion of generic drugs by keeping them outside price control and by giving them preference in government purchases.
- Presence of Pharmexcil, IDMA, State Pharmacy Council and FDCA to support the industry in various areas.
- Tax benefits to encourage research and development in the State.

- Reduction of excise duty on all pharmaceutical products from 16% to 8%

Key Credentials of the Industry

- Gujarat is known as the hub of Indian pharmaceutical industry with around 4,196 manufacturing licences.
- Gujarat is the manufacturer of the maximum number of dosages within the country.
- Highest number of Schedule M compliant manufacturing units in the country.
- Gujarat is home to approximately 40% of Contract Research Organisations (CRO) in the country.
- Gujarat – Export hub of India exports to 200+ countries.
- Established education infrastructure with presence of over 60 pharmacy colleges.
- Gujarat possesses a R&D hub with presence of world class research centers of companies like Zydus, Sun, Torrent, Intas.
- Presence of Pharmaceutical clusters and Special Economic Zones.

Key Players

- Alembic
- Cadila Pharmaceuticals Ltd.
- Dishman Pharmaceuticals and Chemicals Ltd.
- Intas
- Pfizer
- Sun Pharmaceutical Industries Ltd.
- Torrent Pharmaceuticals Ltd.
- Wockhardt
- Zydus Cadila Healthcare Ltd.

2.5.7. Biotechnology

The Gujarat biotech industry consists of more than 50 biotechnology companies and nearly 66 support organisations. The biotechnology stakeholders in the State includes corporates, academic institutes, research institutes and NGOs. The industry has evolved around sub sectors like healthcare, agriculture, industrial, environmental and others (contract research, nutraceuticals, marine, etc.)

On the education front, the State has more than 11 Universities and around half a dozen research institutes imparting under graduate and post graduate courses in biotechnology and allied sciences, to fulfill the need of skilled manpower.

Key Initiatives

- Constitution of Gujarat State Biotechnology Mission (GSBTM) to encourage new entrepreneurs and investments in the State
- Formulation of State Biotechnology Policy 2007-2012
- Establishment of one of the largest biotech SEZ in India at Savli, Vadodara
- Education programmes by GSBTM to generate skilled human resource.
- Special incentives for mega BT projects with an investment of US\$ 24.39 million or more.
- To develop Agri biotech and Marine biotech park in Gujarat.

Key Credentials of the Industry

- Gujarat home to successful biotech companies
- Established Ahmedabad and Vadodara biotech clusters

- Presence of centers of excellence
- Strong Agriculture and Pharmaceutical industry sectors
- Gujarat has been given 'Bio state of the year' award for 2007
- Number of institutions involved in biotech education and research such as MS University, Sardar Patel University, Saurashtra University, BV Patel PERD Center, Central Salt and Marine Chemicals Research Institute, and Gujarat Cancer Research Institute among others providing strong back up to State's biotech initiative.
- Strong agriculture and pharmaceutical industry sectors, rich marine and biodiversity to boost agriculture and pharmaceutical biotechnology.

The major Thrust Areas:

Agriculture Biotechnology: Tissue culture, biofertiliser and biopesticides, biofuel, transgenic crops, GM crops, and organic food.

Pharmaceutical and Healthcare Biotechnology: Biopharmaceuticals, vaccines, diagnostics, monoclonal antibodies, stem cell, animal healthcare.

Industrial Biotechnology: Industrial enzymes, Yeast based products, specialty chemicals, organic amino acid

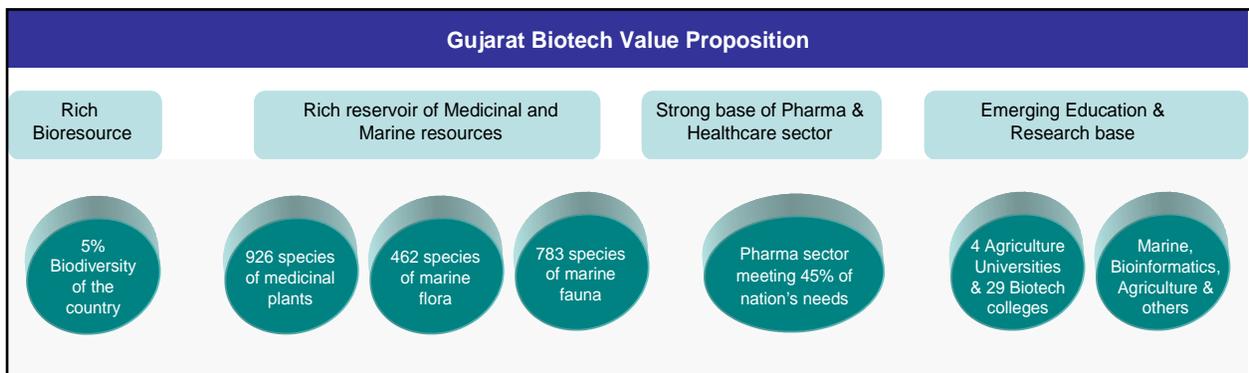
Environment Biotechnology: Bioremediation services, effluent treatment / solid waste management, energy saving techniques

Bioinformatics: Drug discovery

Marine Biotechnology: Semi intensive prawn culture, intensive carp culture, bioactive compounds, Cultivation of seaweeds

Key Players

- Anil Biochem
- Bayer Cropscience
- Cadila Pharmaceuticals
- Concord Biotech Ltd.
- Indus Biotherapeutics (Intas)
- Maps India
- Novartis - Chiron
- Quintiles
- Span Diagnostics
- Sterling Biotech
- Torrent Biotech



2.5.8. Engineering and Auto

Gujarat contributes to over 8% of India's total engineering output, and is home to several industrial units with operations across the entire engineering value chain. Major engineering clusters in Gujarat include Foundry, Ship breaking, Induction furnace industry, Steel re-rolling mills, Brass parts, Oil engines, Fabrication, Machine tools, Auto components and SS utensils. The state is a major production base for Sponge Iron, Steel pipes and tubes, Copper Cathode, Electricals, Switchgear, Transformer and Transmission Line Towers, Heavy Fabrication, Ship Building and Auto Components.

Key Initiatives

- The Government of Gujarat has been aggressively supporting the growth of this sector through development of state –of- art industrial clusters and industry focused Halol -Savli investment region
- Promotion and development of Small and Medium scale Engineering (SME) industry which have emerged as important manufacturers of:
 - Castings and Machine tools
 - Brass parts
 - Oil engines and Electric motors
 - Submersible pumps
 - Industrial valves and Bearings
- Promotion of institutions such as Space Application Centre, Indo-German Tool Room, and Electronics & Quality Development Centre, are providing support to the Engineering sector.

Key Credentials of the Industry

- Largest producer of sponge iron in the country, with 35% share.
- Largest producer and exporter of SAW and ERW pipes.
- Brass parts cluster in Jamnagar, which has over 5,000 small units, meeting 70% of requirements for brass parts in India.
- Eight focused engineering SEZs
- 12 Industrial parks spread across the State, focused primarily on the Engineering and Auto sector.
- 30 out of the 83 product clusters in the State are dedicated to Engineering and Auto sector.
- Over 600 units in large sector and over 75,000 units in small and medium enterprises (SME) sector (excluding repair and services).
- Hindalco's copper smelting and refining complex at Dahej in Bharuch District is the world's largest copper smelter at a single location with a capacity of 5,00,000 tonnes a year.
- The Essar Steel complex at Hazira in Gujarat, India, houses the world's largest gas-based single location sponge iron plant, with a capacity of 5.1 MTPA.
- Largest copper rod manufacturing facility (Hindalco) in Gujarat with 25 million tonnes p.a.
- Ahmedabad, Kutchh, Bhavnagar and Surat are major centres for the production of metallurgical products.

Key Players

- | | |
|-----------------------------|-----------------------|
| ▪ ABB | ▪ Himson Textiles |
| ▪ AIA Engineering Ltd. | ▪ Hitachi |
| ▪ Ajanta Manufacturing Ltd. | ▪ Inductotherm |
| ▪ Alstom | ▪ Ingersoll Rand. |
| ▪ Anup Group | ▪ JCT Electronics Ltd |

- | | |
|---------------------------|-------------------------------------|
| ▪ Apollo Tyres | ▪ Kadwani Caustic |
| ▪ Asia Motors | ▪ Kalpataru Power Transmission Ltd. |
| ▪ Atul Auto Ltd. | ▪ Larsen & Toubro Ltd. |
| ▪ Birla Copper | ▪ Munjal Auto India Ltd. |
| ▪ Bombardier | ▪ Novino |
| ▪ Bosch | ▪ Panchmahal Steel Ltd. |
| ▪ Elecon Engineering Ltd. | ▪ PSL Holdings |
| ▪ Electrotherm Ltd. | ▪ Shah Alloys |
| ▪ Essar | ▪ Steelco Gujarat |
| ▪ FAG Bearings | ▪ Trumac engineering |
| ▪ Field Marshall | ▪ Videocon |
| ▪ General Motors | ▪ Welspun India Ltd. |

2.5.9. Information Technology

Information technology enabled services (ITeS), viz. Knowledge process outsourcing (KPOs) and Business process outsourcing (BPOs) are the fastest emerging sector in Gujarat. There are over 70 KPO companies and over 50 BPO companies currently operating in the State with over 350 registered units and 172 operational units in the Software Technology Park India (STPI) at Gandhinagar itself.

The IT/ ITeS sector turnover is expected to grow from US\$60.98 million in 2005 to US\$2439.02 million in 2010-11. The Information and Communication Technology (ICT) sector is projected to witness investments of up to US\$3658.54 million by 2010.

Incentives for IT infrastructure development

- Special incentives for mega IT projects, creating employment of more than 1000 persons in the case of an IT unit and 1500 persons in the case of an ITeS unit.
- Special incentives for projects with investment of US\$12.20 million and above.
- Financial assistance at 50% of fixed capital investment in land, buildings and infrastructure facilities to IT park developer up to a maximum of US\$0.61 million.
- Stamp duty exemption on purchase of land for IT park developers.
- State shall facilitate grant of SEZ status to IT industry/ IT parks, subject to provisions of the SEZ act/ rules.
- Additional Floor Space Index (FSI) allowed for IT/ITES Parks in urban centres.
- Nomination of one escort officer for each IT mega project including IT Parks.

Incentives for IT/ITeS units

- Exemption of IT/ITeS units from zoning regulations under the applicable Town Planning Schemes
- Stamp duty exemption at 50% for IT/ ITeS units in IT Parks.
- All new IT units exempted from the payment of Electricity Duty for a period of five years and exemption from power cuts.
- Waiver of “no objection certificate” from Gujarat pollution control board” for IT/ ITeS units engaged in provision and production of “IT services & IT software”
- Simplification of labour laws:
 - Permission to have 24/7 operations
 - Permission for women to work at night
 - Self certification-cum-consolidated annual returns scheme
- Continuous Government support for enhancement and development of quality manpower for the IT/ ITeS industry.
- Gujarat IT Fund with a corpus fund of US\$5.85 million, set up to provide financial support for development of IT, ITeS and IT products industry.

- A high power committee led by the Hon. Chief Minister to facilitate quick implementation of the IT initiatives and policies.

Key Credentials of the Industry

- Government of India (GoI), has approved setting up of an STPI in Surat and there are plans to set up a STPI each in districts of Rajkot, Bhavnagar and Jamnagar.
- Frontline state in the implementation of e-governance policies and projects
- Most e-prepared state in the country
- Ready to use state-of-the-art infrastructure such as the Creative Infocity Park at Gandhinagar and GNFC Infotower at Ahmedabad.
- 10 IT/ ITeS Special Economic Zones to be set up in the State by large corporate players such as Tata, DLF, Adani Group, Raheja group, etc.
- Gujarat International Finance Tech-City (GIFT), a 500 acre mega project for global financial services industry to come up at Gandhinagar.
- The State has one of the highest tele -density in the country.

Key Players

- | | |
|----------------------------------|-----------------------------|
| ▪ Azure Styx Infotech | ▪ L&T Infotech |
| ▪ BISAG | ▪ Microsoft. |
| ▪ C-metric | ▪ Mphasis |
| ▪ Echelon BPO | ▪ Motif |
| ▪ Effective Teleservices | ▪ Nortel Networks |
| ▪ E Infochips | ▪ Patni Computers |
| ▪ Gujarat Informatics Ltd. (GIL) | ▪ Tata Consultancy Services |
| ▪ I Many Inc | |

2.5.10. Urban Infrastructure

Gujarat is “The Urbanized State of India” with 37.36% share of urban population as compared to 27.78% share of urban population in India. The State government’s outlay for urban development for the year 2007 as a percentage of total outlay is four times more than Centre government’s spend on Urban Development.

Key Initiatives

- Nirmal Gujarat: It is an initiative to provide with an integrated approach to create high standards of hygiene and cleanliness, taking into consideration various sources of water generation.
- The Bus Rapid Transit System (BRTS): An integrated public transit system that has been envisaged for Ahmedabad.
- CNG Initiatives: An initiative taken for converting all buses and auto rickshaws in Gujarat into CNG Vehicles to create a clean environment.
- Integrated Gas Grid: The first state-wide integrated grid has been initiated in the state for gas transmission, with the primary objective of building a continuous State-wide gas supply system.
- Sabarmati River Front Development: An initiative, taken for the overall development of urban infrastructure and improvement in quality of life in the city.
- Urban renewal – Kankaria Lake: An urban renewal initiative is envisaged for Kankaria Lake to transform the lake front into a world class urban green space.
- Integrated Township Policy: The Integrated Township Policy was announced in September 2007 to provide a framework for ensuring efficient development of sustainable townships in the State.

Key Credentials of the Industry

- First State to privatize ports, with 41 ports along 1600 km coastline
- 13 airports under Airports Authority of India (AAI)
- India's first National Expressway (93 km) from Ahmedabad to Baroda
- Only State with interlinking of rivers
- Gujarat State Petronet Limited (GSPL) gas pipeline covers 18 districts .

Investment Opportunities

- Gujarat International Finance Tech City (GIFT)
- Energy efficiency projects
- Solid waste management projects
- Integrated township projects
- Continuous water supply projects
- Rapid Transit Systems (MRTS/CRTS)

2.5.11. Power

Gujarat is the leading state in terms of power availability. It has been ranked second in overall performance of power sector as per the Power Sector Rating Report (2005) of Crisil – ICRA submitted to the Ministry of Power. There are 23 power plants located in Gujarat which includes nine thermal power plants, nine gas power plants, four hydro power plants and one atomic power plant.

Key Initiatives

- To meet the challenges of the emerging power sector Gujarat Energy Training and Research Institute (GETRI) has been established by Gujarat Urja Vikas Nigam Ltd. (GUVNL) at Vadodara.
- Unbundling of Gujarat Electricity Board (GEB), wherein a separate entity has been created. The GEB's residual function has been carried out by GUVNL and five other companies.
- Early completion and commissioning of new units.
- In order to provide quick capacity addition to meet the minimum needs of the State Grid, it has been proposed to build a number of Mini and Micro Hydel Projects.
- Renovation, modernisation and management of existing power plants.
- Private industries including EOUs will be permitted to go for captive generation upto 60 MW without any restriction.
- The State has endeavoured to derive maximum benefit out of clean and eco-friendly non-conventional and renewable sources of energy.
- It is proposed to encourage setting up of suitable solar power stations in North Gujarat and Kutch/Saurashtra.
- State will provide suitable policy guidelines to generate power from bagasse/paddy husk/biomass/agricultural waste.

Key Credentials of the Industry

- Gujarat has achieved 100% electrification.
- Gujarat ranks third in total generation installed capacity of power, among all the states of India according to Ministry of Power, Government of India.
- The state achieved a per capita consumption of electricity at 1354 units for the year 2006-07, which is more than twice the national average of 665 units.
- The private sector contributes more than 25% to the total installed capacity of power in Gujarat.

- Gujarat has witnessed a growth of 6.5% in 2007 over the installed capacity of power in 2006 which was 8,974 MW.
- The installed capacity of power in Gujarat is expected to increase by 100% (from 10605 MW to 20725 MW) in the next five years.
- It is estimated by 2017, Gujarat will have the capacity to generate 42,005 MW (double the projected demand) to meet the requirement of any additional projects due to the rapid industrialization.

Key Players

- Adani Group
- China Light & Power Ltd. (CPL Power)
- Essar Power Ltd.
- Gujarat Paguthan Energy Corp Pvt. Ltd.
- Gujarat Urja Vikas Nigam Ltd.
- Suzlon Energy Ltd.
- Tata Power
- Torrent Power

2.5.12. Chemicals

Gujarat's chemicals and petrochemicals industry is one of the fastest growing sectors in the State's economy. The industry offers a wide spectrum of opportunities for investors, both from India and abroad. The well diversified chemical industry has a complete portfolio of chemical products including petrochemicals and its downstream product pharmaceuticals, dyes and intermediates. The chemical industry is a significant component of the State's economy, contributing to more than 51% of Indian production of major chemicals with revenues at approximately more than US\$2926.83million.

Key Initiatives

- Specialised industrial region have been identified under Indian Government's Petroleum Chemical & Petrochemical Investment Region (PCPIR) Policy.
- In Chemical Sector, 100% FDI is permissible.
- SEZ scheme has been introduced to provide hassle free environment and state-of-the-art infrastructure.
- Gujarat has liberal labour policy providing complete flexibility in SEZs
- The entrepreneurs need to submit only Industrial Entrepreneur's Memorandum (IEM) with the department of Industrial Policy Promotion, provided no locational restriction is applicable.

Key Credentials of the Industry

- Gujarat contributes the highest share of polymer production in the country.
- Houses the world's largest grass root petroleum refinery.
- Petrochemical Industry in Gujarat produces 13,048 ('000 Tonnes) of petrochemical products and also contributes around 62% to the total production of the country. Gujarat contributes 15% of the total national chemical exports.
- It has five petrochemical and six fertilizer complex to cater to industry specific needs.
- Excellent infrastructure available to support industrial growth like Chemical Port Terminal (3MWT Capacity). They include 41 Ports, six hazardous solid waste disposal sites, six treated effluent conveyance pipes and 19 Common Effluent Treatment Plants.

Key Players

- Aarti Group
- Asian Paints
- BASF
- DCW
- Deepak Nitrite
- E. I. Dupont
- Excel
- GE
- Gujarat Heavy Chemicals Ltd. (GHCL)
- Gharda Chemicals
- Gujarat State Fertilizers & Chemicals Ltd.
- Gujarat Narmada Valley Fertilizers Company Ltd.
- Gujarat Alkalies and Chemicals Ltd.
- Heubach Group
- Indian Rayon
- Indian Farmers Fertilizer Cooperative (IFFCO)
- Kribhco
- Lanxess ABS Ltd
- Meghmani Organics Ltd.
- Nirma Chemicals
- Rama Newsprint And Papers Ltd.
- Reliance Industries Ltd.
- Sintex Industries Ltd.
- Tata Chemicals
- United Phosphorous

2.5.13. Ports

Gujarat is known as 'the Port Capital of India', having 41 ports which include one major port and 40 non-major ports. The presence of the Gulf of Kutch and Cambay, which provide sheltered locations with deeper waters near the shore, facilitate the creation of world class ports with state-of-the-art facilities.

Key Initiatives

- Gujarat is the first state in India to invite private sector participation through competitive bidding
- A Maritime Training Institute has been proposed, in collaboration with private companies and institutions, to provide the requisite manpower
- A MoU has been signed between the Korea Maritime University and the Government of Gujarat for establishing a centre of excellence.
- Developing /upgrading port facilities at 10 locations.
- Providing port facilities to promote export-oriented industries and port-based industries entailing almost 50% of total industrial investment
- Encouraging shipbuilding, ship repairing and manufacturing facilities for cranes, dredgers and floating crafts
- Progressive and liberal policies have been framed to ease the privatisation of ports.
- Rail connectivity provided to Pipavav and Mudra and plan to extend further to Dahej and Hazira Port.

Key Credentials of the Industry

- The first private port of India – Pipavav is in Gujarat
- The state ranks first in terms of cargo throughput amongst all Indian ports.
- The state has highest number of operational ports and commercial cargo ports.
- The first State to prepare a 'model' for development of fishing ports
- The Kandla Port has 1800 meters of dry cargo berths with a capacity for at least ten ships. It owns 10 berths, six oil jetties, one maintenance jetty, one dry dock, and small jetties for small vessels.
- The state is also the host to the world's one of the largest ship recycling yards at Alang.
- Gujarat has India's longest coastline of 1600 Km and is the Maritime gateway to Middle East, Africa and Europe.

Major Stakeholders

- Gujarat Adani Port Ltd.
- Peninsular & Oriental Steam Navigation Co.
- Gujarat Pipavav Port Ltd.
- Reliance Industries Ltd.
- Maersk
- Wellspun
- Petronet LNG Ltd.
- Shell

3. INVESTMENT CLIMATE

3.1. Foreign Investment Framework in India

The FDI regime has been progressively liberalized during the course of the 1990s. Most of the restrictions on foreign investment have been removed and the procedures simplified. With limited exceptions, foreigners can now invest directly in India, either wholly by themselves or as a joint venture.

3.1.1. Industrial Licensing

The requirement of obtaining an industrial license for the manufacturing activity is limited to the following:

- Industries reserved for the public sector
- Five industries of strategic, social or environmental concern
- Manufacture of items reserved for the small scale sector, by non small scale industrial units or units in which foreign equity is more than 24%

All other industries are exempt from licensing, subject to certain locational restrictions in metropolitan areas. In the event of not adhering to the locational restrictions, the unit is required to obtain an industrial license.

Industrial licensing is compulsory for investing in the following five industries of strategic, social and environmental importance:

- Distillation and brewing of alcoholic drinks
- Cigars and cigarettes of tobacco and manufactured tobacco substitutes
- Electronic aerospace and defence equipment
- Industrial explosives including detonating fuses, safety fuses, gunpowder, nitrocellulose and matches
- Hazardous chemicals

In addition, the following industries are reserved for the Public Sector:

- Atomic energy;
- The substances specified by Government of India in the Department of Atomic Energy No. S.O. 212(E) dated March 15, 1995
- Railway transport

3.1.2. Foreign Investment Policy

India's economic policies are designed to attract significant capital inflow into India on a sustained basis and to encourage technology collaborations between India and foreign countries. Policy initiatives taken over the last few years have resulted in inflow of foreign investments in diverse sectors of the economy.

FDI is encouraged in virtually every sector except those of strategic concern such as defence (opened up to a limited extent, recently), railway transport and atomic energy where the existing and notified sectoral policy does not permit FDI beyond a certain ceiling.

3.2. Economic Policies and Incentives for Foreign Investment in India

Features of foreign investment policies and incentives

- No government approval required for FDI in virtually all the sectors/activities except for a small negative list notified by the government.
- The government has notified sector specific guidelines for FDI, wherein investments up to the specified sectoral caps are covered under the automatic route with a few exceptions.

- The **Foreign Investment Promotion Board (FIPB)** considers proposals for foreign participation that do not qualify for automatic approval.
- Decisions on all foreign investments are usually taken within 30 days of application.
- Free repatriation of capital investment and profits thereon is permitted, provided the original investment was made in convertible foreign exchange.
- Use of foreign names/trademarks for the sale of goods in India is permitted.
- Indian capital markets are open to FIIs.
- Indian companies are permitted to raise funds from international capital markets.
- Special investment and tax incentives are given for exports and for sectors such as power, electronics, software and food processing.
- Single window clearance facilities and 'investor escort services' have been provided in various states to simplify the approval process for new ventures

3.2.1. Foreign Direct Investment (FDI)

In pursuance of the government's commitment for early implementation of the second phase of economic reforms and with a view to give further impetus to the Indian industry, the Government of India permits FDI on an automatic basis except in case of a small negative list.

Negative List

All industries will qualify for FDI on an automatic basis, except the following:

- Investment in companies where activities require an industrial license
- Proposals involving a foreign collaborator who has an existing venture/tie-up in India in the same field (except in the IT and mining sector), and investments made by international financial institutions such as the Asian Development Bank, International Finance Corporation, Commonwealth Development Corporation and Deutsche Entwicklungs Gesellschaft.
- Proposals relating to the acquisition of existing shares in an Indian company by a foreign investor in the case of financial sector and in cases where the Securities and Exchange Board of India (SEBI) takeover code is attracted.
- Proposals falling outside the notified sectoral policy/ caps
- Proposals for investment in public sectors units, as also for EOU/EPZ/STP units qualify for the automatic approval route, subject to satisfaction of certain prescribed parameters.

Proposals for foreign investment, which are not covered under the automatic approval route, are considered for approval by the government of India. Composite proposals i.e. proposals seeking other industrial approvals for foreign investment are given a composite clearance by the Government of India.

Foreign Investment Promotion Board (FIPB)

FIPB is a specially empowered board chaired by the Secretary, Ministry of Finance (MoF). It has been setup specifically for expediting the approval process for foreign investment proposals.

There are no prescribed application forms for applying to FIPB, except in the case of purely technical collaborations. Proposals may be sent to the FIPB Unit, Department of Economic Affairs, Ministry of Finance or through any of India's diplomatic missions abroad. The government has started a mailbox facility for accepting FDI proposals through the internet and providing an acknowledged number for the same with the condition that an original hard copy should be received before the proposal is considered by the government.

FIPB has the flexibility to examine all proposals in totality, free from predetermined or procedures. It's approach is liberal for all sectors and all types of proposals. While applications are subject to stages of negotiation it is important for the investors to convince FIPB on the benefits to the Indian economy from the project.

3.2.2. Foreign Exchange Policy

The Foreign Exchange Management Act (FEMA), 1999 provides for the regulation and management of foreign exchange in India. It, hence, provides for matters related to dealing in foreign exchange, holding of foreign exchange, current and capital account transactions, export of goods and services, realisation and repatriation of foreign exchange etc.

3.2.3. External Commercial Borrowings (ECBs)

Debts raised in foreign currency will fall within the purview of the ECBs and are regulated by the MoF and RBI. ECBs include commercial bank loans, buyer's credit, supplier's credit, scrutinized instruments such as Floating Rate Notes and Fixed Rate Bonds, credit from official export credit agencies etc.

3.3. Economic Laws and Regulations of India

3.3.1. Indian Contract Act, 1872

The Indian law of contract is based on the common law principles of contract and is codified as the Indian Contract Act. The Act has borrowed extensively from the provisions of other codes governing the law of contracts in other countries.

Certain specific forms of contract including contract of partnership, contract for sale of goods, and contract for carriage are enacted into separate legislations.

The Act includes the following general principles of contract:

- Formation of contract
- Competence of contracting parties
- Validity of contract
- Performance of contracts vis-à-vis liability/obligation of contracting parties
- Breach of contract and damages
- Proposal and acceptance of proposal for formation of a contract
- The contract may be written, oral, or implicit by conduct
- The consideration may flow from the either of the contracting parties to each other or from a third party
- A breach of contract may give rise to two remedies: damages or specific performance. Damages may be either liquidated or un-liquidated. However, penalties and exemplary damages are not enforceable. Specific performance may be sought in certain cases of breach under the Specific Relief Act, 1963.
- The Act also provides for the rights and obligations governing the parties in relation to the contract of indemnity, guarantee, and bailment.
- The Act lays down general principles governing the law of agency including the agent-principal relationship, rights and liability of agent inter se principal and third party, revocation/termination of agency etc.

3.3.2. Intellectual Property Rights Protection

As a signatory to the General Agreement on Tariffs and Trade (GATT) and trade related aspects of intellectual property rights (TRIPS) agreements and in the capacity of being a member of the World Trade Organization (WTO), India has initiated laying down minimum norms and standards with respect to the following areas of intellectual property:

- Copyrights and other related rights
- Trademarks
- Geographical indications
- Patents
- Industrial designs

3.3.3. Copyrights

Indian copyright law is laid down in the Indian Copyright Act, 1957 as amended by Copyright (Amendment) Act, 1999. The Act reflects the Berne Convention on Copyrights to which India is a party. India is also a party to the Geneva Convention for the Protection of Rights of Producers of Phonograms and to the Universal Copyright Convention. India is also an active member of the World Intellectual Property Organization (WIPO), Geneva.

3.3.4. Trademarks

The Trademark Act, 1999 provides for the registration of trademarks for services and goods including collective marks and for the assignment and transmission of trademarks. There is a provision for an appellate board for speedy disposal of appeals, rectification of applications, simplification of procedures, for the registration of registered user, and for enlarging the scope of the permitted use of trademarks and prohibition on the use of someone else's trademarks as part of the corporate names or names of business concerns.

3.3.5. Geographical Indications of Goods

The Geographical Indications of Goods (Registration and Protection) Act, 1999 was introduced to conform to the TRIPS regime. It seeks to provide for the registration and better protection of geographical indication, relating to goods in India . It is also designed to protect the use of such geographical indication from infringements by others and to protect the consumers from confusion and deception.

To receive applications for geographical indications of goods as provided in the Geographical Indications Act, 1998, the Government of India has set up a Geographical Indications Registry at Chennai.

3.3.6. Patents

The Indian Patents Act, 1970 provides for the grant, revocation, registration, licence, assignment and infringement of patents in India. The Patents (Amendment) Act and Rules, 1999 was introduced to grant product patents for inventions relating to drugs and medicines and to outline the procedure to deal with the claims made in the applications filed on or after January 1, 1995. The applications for claims were granted exclusive rights to sell or distribute the products in India, provided the prescribed procedure was adhered to.

To harmonize the law pertaining to patents and other forms of intellectual property and to fulfill its obligations under the WTO agreement, India has become an active party to the International Convention for the Protection of Industrial Property (Paris Convention), GATT and TRIPS agreements.

3.3.7. Industrial Designs

The Designs Act, 2000, passed to give recognition to the obligations under the WTO agreements, encourages and protects those who produce new and original designs and thus seeks to enhance industrial development. Any person claiming to be the author of a new and original design not previously published in any country and not contrary to public order can file an application for the registration of the design under the Act. On registration, the author of the design is assured of exclusive rights to sell, distribute, manufacture and import

such design and such registered articles to which the design is applied for a period of 10 years from the date of registration. The Act also provides for the infringement of the design.

If a design is registered under this Act, it does not qualify for protection under the Copyright Act. However, designs which can not be registered under the Designs Act shall get protection under the Copyright Act provided they are original artistic works.

3.3.8. Labour Laws

India is a member of the International Labour Organization and complies with the conventions that it has ratified. Comprehensive legislations have been enacted to provide a good working environment for the labour and to protect their interests.

The government continuously reviews labour laws to keep them in line with the changing circumstances. These laws address various issues such as the resolution of industrial disputes, working conditions, labour compensation and insurance.

Industrial Disputes Act, 1947

The Act provides for the investigation and settlement of industrial disputes or certain other matters in an industrial establishment relating to lockouts, lay-offs, retrenchment etc. It provides for the machinery for conciliation and adjudication of disputes or differences between the employees and the employers.

Maternity Benefit Act, 1961

The Act regulates the employment of women in certain establishments for a prescribed period before and after child birth. The Act does not apply to any establishment to which the Employees State Insurance Act, 1948 is applicable.

Payment of Bonus Act, 1965

The Act provides for the payment of bonus to persons employed in certain establishments on the basis of profits or production/productivity. The Act is applicable to factories and establishments employing 20 or more persons on any day during an accounting year. It is applicable to persons employed on a salary or wage not exceeding US\$85.37 per month. The minimum bonus which an employer is required to pay even if he suffers losses is 8.33% of the salary or wage, during the accounting year.

Payment of Gratuity Act, 1972

The Act provides for a scheme for payment of gratuity to all employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops and other establishments employing 10 or more employees on any day in the preceding 12 months.

Gratuity is payable to an employee on his retirement/resignation, superannuation, termination on account of death or disablement. Gratuity is payable only after an employee completes five years of continuous service, except in case of death or disablement.

The Act provides for compulsory payment of gratuity to every employee, subject to a maximum of US\$8537. It also prescribes conditions under which an employer can deny payment or forfeit the gratuity of an employee.

Workmen's Compensation Act, 1923

The objective of the Act is to compensate an employee for any injury suffered during the course of his employment.

Industrial Employment (Standing Orders) Act, 1946

The Act requires employers in industrial establishments to provide for the conditions of employment for the employees. It applies to establishments employing 100 or more workmen on any day of the preceding 12 months. It requires the employer to clearly define the conditions of employment to its workers by issuing standing orders relating to matters set out in the schedule of the Act.

Minimum Wages Act, 1948

The Act seeks to determine the minimum rates of wages in certain employments specified in the schedule of the Act. The state and the central government can fix/revise the minimum rates of wages.

Payment of Wages Act, 1936

The Act seeks to regulate the payment of wages to certain classes of employment in an industry. It seeks to ensure that wages payable to employees covered under the Act are disbursed within the prescribed time limit and that no deductions other than those authorized by law are made by the employers.

Factories Act, 1948

The Act is a principal legislation which governs the health, safety, and welfare of workers in factories. It also contains regulations for functioning of factories and procedures relating to inspection, registration, licensing etc. of factories.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Act seeks to ensure the financial security of the employees in an establishment by providing for a system of compulsory savings. The Act covers any establishment which is a factory engaged in any industry specified under the Act employing 20 or more persons.

The government has prescribed various penalties at prescribed rates for any default made in connection with the payment of any contribution, arrears, accumulation, and administrative charges to the fund.

3.3.9. Anti-Trust Regulations

Anti-trust laws are designed to preserve free enterprise of the open market by making illegal certain private conspiracies and combinations formed to minimize competition. Most violations of anti-trust laws involve either price fixing or unfair allocation of customers or markets.

The government of India has evolved an anti-trust regulatory framework that revolves around the following legislations:

- Competition Act, 2002
- Certain provisions of the Companies Act, 1956
- Consumer Protection Act, 1986

Competition Act, 2002

The Act seeks to promote and sustain competition in markets, protect the interest of consumers, ensure freedom of trade, and provide for establishment of Competition Commission of India (CCI). The Act provides for prohibition of anti-competitive agreements, prohibition of abuse of dominant position, regulations of combinations and powers, and functions and duties of CCI.

Consumer Protection Act, 1986

The Act has been enacted for the protection of consumer interest. It provides for the establishment of consumer councils and other authorities to settle consumer disputes. It aims to regulate the activities of a manufacturer or service provider to ensure that the consumer does not suffer defective goods and/or deficiency of goods.

Negotiable Instruments Act, 1881

The Act was introduced to legalize the system by which instruments contemplated by it could pass from hand to hand by negotiations like any other goods. The law relating to promissory notes, bills of exchange, cheques and other negotiable instruments is codified under the Act. Detailed provisions have been made in the Act concerning presentment, payment, interest, discharge from liability, notice of dishonour, noting and protest, reasonable time for payment, acceptance and payment for honour and reference in case of need, compensation, special rules of evidence, providing for certain presumptions and estoppels, cross cheques, bills in sets etc.

3.3.10. Sale of Goods Act, 1930

The Act is complementary to the Contract Act. The basic provisions of Contract Act apply to contract of sale of goods also.

The following are the essentials of the contract of sale:

- It is a contract
- It is of goods
- There is a transfer of property
- Contract is between buyer and seller
- Sale is for a consideration

The Sale of Goods Act casts duties and grants rights on both the buyer and the seller including duty to deliver goods to the buyer, the buyer's duty to accept goods and pay for them etc. The Act also lays down penalties/prosecution for the buyer and the seller for breach of contract.

3.3.11. Arbitration

The various aspects of arbitration are dealt with under the Arbitration and Conciliation Act, 1996. The Act is essentially based on the Model Law on International Commercial Arbitration adopted by the United Nations Commission on International Trade Law (UNCITRAL) in 1985. The UNCITRAL laws and rules have harmonized concepts on arbitration and conciliation, of different legal systems of the world.

The Arbitration and Conciliation Act, 1996 has been enacted to meet the following objectives:

- Comprehensively cover domestic arbitration, international commercial arbitration and enforcement of awards under the New York and Geneva Awards and Conciliation
- Make provisions for an arbitral procedure and provide for that arbitral tribunal to give reasons for its arbitral award and minimize the role of courts in the arbitral process
- Provide the manner of settlement of the conciliation proceedings, with respect to disputes arising out of legal relationships and provide for the establishment of the new Arbitration Division within each High Court where awards can be challenged under provisions of the existing Act
- Resolve conflicts among some judgements of the High Court under the Act and provide for fast track arbitration following a special procedure

3.4. Government of Gujarat Investment Policy

The Government has incorporated the following acts and policies to ensure smooth conduct of business and overall development of the state:

- Industrial Policy
- Information Technology Policy
- Agro Industrial Policy
- Mineral Policy

- Tourism Policy
- Gujarat Infrastructure Development (GID) Act, 1999
- Ports Policy
- BOOT Policy
- Integrated Township Policy

3.4.1. Industrial Policy 2003

The Industrial Policy, 2003, was formulated to support an entrepreneur at every stage of project implementation from conception to commissioning and thereafter. The Government would also propose to address all the issues of the existing industries to create the most conducive environment for businesses to flourish. The objective of the Industrial Policy, 2003 is achieving global competitiveness for industries in Gujarat.

Information and Facilitation

- District Industries Centre (DIC)

In order to facilitate easy dissemination of information, the Government of Gujarat has set up kiosks at all the DIDs. The kiosk would contain exhaustive information to cater to any kind of needs of a visitor.

- Facilitation at the state level

At the state level, Industrial Extension Bureau (iNDEXTb) has been functioning as a nodal agency to facilitate investors in implementing their projects expeditiously.

The Industries Commissionerate will act as facilitator and develop expertise in industrial intelligence by studying the change in behavior and health of specific sectors of industry in terms of internal and external factors.

- In order to effectively monitor the progress of implementation of the projects, elaborate mechanisms are already in place:

For infrastructure projects

- For giving fast track clearances to the Infrastructure projects, a special organization - Gujarat Infrastructure Development Board (GIDB) is already in operation

Allotment of Land

Keeping in view the objective to promote industrialization in Gujarat, the Revenue Department has so far taken following steps to facilitate allocation of land to industries:

- A provision of Deemed NA has been made which allows a bonafide industrialist to acquire agricultural land and commence activity without prior NA permission.
- Land under restricted tenure is now easily convertible to old tenure for industrial purposes.
- Section 63AA of Gujarat Tenancy Act which came into effect from March 6, 1977 enables a bonafide industrialist to possess agricultural land for setting up industrial undertaking without prior approval of the District Collector.
- For valuation of the Government land, the value upto US\$0.12 million is decided by the District Level Pricing Committee. In case of value exceeding US\$0.12 million, it is decided by the State Level Pricing Committee. This mechanism facilitates appropriate and quick evaluation of land.
- As regards land acquisition, urgency clause is also invoked in deserving cases of public or private limited companies to facilitate quicker possession of land for industrial purposes.

Gujarat Industrial Development Corporation (GIDC) Land

- GIDC is the nodal agency of the Government of Gujarat which provides for shelf availability of infrastructure required by industries. It provides for infrastructure such as estates/industrial parks with basic infrastructure such as land, ready-to-use sheds, roads, water supply, power supply, street lights,

and pollution mitigation machinery etc. These estates also provide social, residential, and commercial infrastructure.

- GIDC has so far, set up 171 functional estates/industrial parks at commercially viable and strategically located places.
- GIDC land is clearly marketable and free from all encumbrances and liens.
- The land allotment procedure is simple, hassle free and transparent.
- GIDC has set up sector specific estates/industrial parks for engineering, chemicals, plastics, apparels, gems, granite, and ceramics etc.
- The chemical estates set up by GIDC are complete with common effluent treatment plant (CETP), effluent collection system and disposal system. Upfront availability of these facets of infrastructure in the estate makes it easier for seeking environment clearances.
- The allotment price of land is fixed by GIDC in a transparent manner which is acceptable to all banks and financial institutions. The allotment price is reasonable and affordable.
- GIDC offers two options for payment of land price:
 - The applicant can pay 30% of the land price upfront, take possession of the land and start industrial activity. The remaining amount is payable in 10 years in 40 installments with interest at the rate of 12%. In this option, the status of the allottee is of a licensee.
 - The allottee can make 100% payment of the land price and take 99 years leasehold rights. GIDC will accord permission to the lessee to encumber leasehold rights in favour of a bank/financial institution to secure financial arrangements.
- GIDC gives the option to its lessees to convert leasehold rights into freehold status if the lessee has completed 15 years. The option is given to the lessee on payment of a premium.
- GIDC extends preferential treatment in allotment of land to socially weaker sections, NRIs and Export Oriented Units (EOUs).
- Major GIDC estates are notified areas facilitating local self governance.
- GIDC is in the process of setting up six Special Economic Zones (SEZs) at Ahmedabad (Apparel), Surat (Apparel), Savli (Biotech), Jhagadia (Glass & Ceramics), Dahej (Petrochemicals and Chemicals) and Gandhinagar (IT/ITES and EHTP)
- Availability of infrastructure with GIDC, various rules and regulations, allotment procedure etc. can be accessed on GIDC website. (www.gidc.com)

Labour Reforms

Flexibility in Labour Laws in the SEZs/Industrial Parks

Gujarat is the only state in India to have amended the Industrial Disputes Act with respect to SEZs after obtaining prior sanction from the Government of India. Section V(b) of the Industrial Disputes Act was amended to remove the last-in-first-out process from retrenchment procedure and section V(d) was introduced. Section V(d) defines termination and allows termination of labour on discretion of the unit without prior Government permission. Further, flexibilities in labour laws pertaining to hire, longer working hours, and engaging contract workers are also available due to the amendment.

The industrial units have to file Consolidated Annual Report (CAR) in the prescribed form instead of Periodical Returns to the Development Commissioner of SEZ.

Other Innovative Steps Proposed

- Self-Certification -The concept of self-certification is put in place for all technical parameters by individual industrial units as required under various laws and statutes. The following initiatives are under consideration of the Government:

- Introducing the concept of self-certification and audit principle by accredited consultants and severe penalties for willful defaulters.
- Confining to only one comprehensive visit annually, by Government official(s) who are identified on the basis of the scale of operation of the unit.

Environment

Common Consent/ Authorization

Gujarat Pollution Control Board (GPCB) issues statutory clearances in the form of consents and authorization under the provision of the Water Act, 1974, and the Air Act, 1981, as well as Hazardous Waste (Management and Handling) Rules, 1989. The GPCB has taken an initiative and devised a mechanism under which a common form both for consents and authorization will have to be submitted and the consents and authorization will be issued for a period of five years instead of one year.

Small and Medium Enterprises (SMEs)

Cluster Development Approach

The strong presence of 76 identified manufacturing sectors consisting of a large number of small and medium scale industries provides a very vibrant manufacturing base for the state. Each of these sectors is located in clusters spread throughout the state.

The Government has decided to offer concessions in the form of electricity duty exemption for a period of first five years to the cluster associations if they set up either common power plants or common effluent treatment plants or waste recycling plants.

Incentives offered by Government of Gujarat under the Industrial Policy 2003

The Industrial Policy 2003 of the Government of Gujarat has laid down the following incentives to promote industry and to encourage investments.

Investment Incentives

- Interest Subsidy to Small and Medium Enterprises
- Assistance for Research and Development
- Financial Assistance for setting up Industrial Park
- Assistance to Critical Infrastructure Projects
- Power Tariff Incentives
 - The new industrial units are exempt from payment of electricity duty for a period of five years.
 - The industrial units which generate electricity for captive requirements are exempt from payment of electricity duty for the initial period of five years.

Other Incentives

- Financial Assistance to SMEs for Quality Certification
- Assistance for Technology Upgradation
- Assistance for Cluster Development
- Assistance for Market Promotion and Development
- Assistance for Environment Protection Measures
- Assistance for Common Effluent Treatment Plant (CETP)
- Relief to Sick Industrial Units

Other Initiatives

Creating a conducive environment for investment

Gujarat has constituted a high-powered Gujarat Industrial Promotion Board (GIPB) under the chairmanship of Hon'ble Chief Minister to grant clearances in the form of a single window mechanism to large projects. This

mechanism will be further strengthened with the co-operation of all the departments of the Government and eventually a single window clearance mechanism would be introduced for all the projects.

For further details on the policy please visit <http://www.gujaratindia.com/business/business3.htm>

Industrial Policy 2008 is under draft stage and will be launched soon.

3.4.2. Information Technology (IT) Policy

A comprehensive **IT Policy 2006 – 2011** was introduced by the Government of Gujarat with a vision “to endeavor for rapid expansion and growth of knowledge based economy in the State”. The State Government has envisaged attracting investments in the sector by way of promotion of urban based IT infrastructure, enhancing supply of skilled manpower, and promotion of IT and related industries.

For further details on policy, please visit <http://www.gujaratindia.com/business/business3.htm>

3.4.3. Agro Industrial Policy

This policy endeavours to make Gujarat the destination of choice for investors and processors, both global and domestic. Gujarat is one of the pioneering states for incorporating a separate comprehensive Agro Industrial policy. Agro industries have been redefined to include value addition projects and projects creating a link between a farm and a market even without change of form(i.e without value addition).

Incentives

Incentives under the policy are available over and above those given by the Central Government and are available irrespective of the scale of operations. The incentives are available to new units as well as existing units undertaking technology upgradation, modernisation, expansion or diversification. The following incentives are provided:

- Interest Subsidy to Agro Industrial Units and Agri Infrastructure Development
- Assistance for preparation of Project Report
- Support for setting up of Centre of Excellence/ Specific Crop Development Institute
- Quality Assurance Assistance
- Patent Registration Assistance

Land

The Government provides government land including agriculture farms on long lease basis at concessional rates to agro industries.

Exports

The State Government encourages export of agro products from the state by taking following measures:

- Agri Export Zones for mango and vegetables from Ahmedabad to Valsad, and for sesame seeds and value added onions at Saurashtra have already been established
- Setting up of Air Cargo Complex for perishable products at Ahmedabad International Airport
- Setting up of world class laboratory for quality and inspection of Agriculture and Processed food products from the state
- Assistance available to exporters of Gujarat's agriculture produce:
 - Air Freight Subsidy at the rate of 25% on Air Freight on Mango, Sapota, Banana, Lemon, Okra, Tomato and such other products as specified by the State Government from time to time, subject to a ceiling of US\$0.02 million per beneficiary/per annum.
 - Subsidy (within a ceiling of US\$1220per beneficiary) for sending samples/test marketing abroad. The State and the Central Government assistance should not exceed 50% of the cost

- o of sending samples and the beneficiary can avail such a grant only once for sending samples to one country and the product should be of Gujarat origin only
- o Sea freight subsidy for produce of Gujarat origin

Research & Development

The Government provides assistance to agro industries for sponsored research work undertaken by reputed research institutions, upto 50% of the cost, within a ceiling of US\$0.05 million.

Certification Agency for Organic Farming

The state facilitates setting up of internationally recognised quality testing and certification laboratories in Gujarat.

Venture Capital Fund

The State Government has created a venture fund for agro industries in association with financial institutions/banks, etc.

Agri Waste

The State Government supports projects on agri waste, by treating them at par with Agro Industrial Infrastructure projects for the purpose of incentives.

Single Window Clearance

The State Government is committed to provide the facility of single window clearance to ensure that entrepreneurs do not have to visit different government offices to obtain the required clearances for setting up industrial units in the state.

The State Government has constituted an Empowered Committee consisting of Secretaries in-charge of Departments of Finance, Industries, Agriculture and the Managing Director, Gujarat Agro Industries Corporation Ltd. with a view to provide Single Window Clearance to Agriculture and Food Processing Industry.

Nodal Agency

The State Government has appointed Gujarat Agro Industries Corporation Ltd. as nodal agency to promote and develop Agro and Food Processing industry in Gujarat.

For further details, please visit www.gujagro.org

3.4.4. Mineral Policy

The Mineral Policy was introduced by the Government of Gujarat to build global competitiveness in all aspects: to infuse transparency at all levels of operation, and enhance efficiency by adopting e-governance.

The Government of Gujarat has envisaged specific policy initiatives for industrial minerals occurring in the state to attract investment in the fields of mineral exploration, exploitation, and mineral-based industries.

For further details on policy, please visit <http://www.gujaratindia.com/business/business3.htm>

3.4.5. Tourism Policy

The focus of the Tourism Policy will primarily be to attract tourists to Gujarat. The policy aims at overall development of tourism by providing services of international standards and also by creating excellent infrastructure, connectivity and providing tourists with good facilities in important tourist locations.

The Government proposes to undertake the following schemes for infrastructure development:

Land Bank Scheme

The physical facility creation of land bank scheme earmarks certain land on the beaches, tourist places, wayside locations and state/national highways for the tourism projects both in the rural and urban areas. If the private investor wants land, he shall identify the land and approach the Commissioner of Tourism along with the project report. The Commissioner of Tourism will work as the nodal agency for the above purpose. The Government shall allot land on long-term lease basis or by way of outright sale for the tourism projects.

Concessions shall be provided either on lease and its tenure, or on the rate to be charged for Government land, on stamp duty. and registration fee on land transaction for the tourism projects depending on the size of the project and its importance to the development of the state.

Rationalisation of Taxes and Duties

The policy proposes to ensure that different taxes like luxury tax, entertainment tax are rationalised and simplified in a manner such that tourism projects are encouraged.

Private Sector Participation

The Policy envisages privatisation of as many projects as possible. It would also ensure that the projects that are conceived under the Tourism Policy should be so structured as to ensure maximum participation by the private sector.

Implementation Mechanism

Services of existing Gujarat Industrial Promotion Board (GIPB) would be utilised for ensuring effective and timely implementation of the Policy proposals.

For further details on policy, please visit <http://www.gujaratindia.com/business/business3.htm>

3.4.6. Gujarat Infrastructure Development (GID) Act, 1999

The Government of Gujarat has incorporated the GID Act to provide for a framework for participation of private players in financing, constructing, maintaining and operating infrastructure projects. A Gujarat Infrastructure Board (GIDB) has been established under the Act to provide for matters connected with private participation.

For further details on the Act and the procedure for selection of private player, please visit www.gidb.org

3.4.7. Port Policy

The Port Policy was introduced to ensure an integrated port development strategy, consisting of creation of port facilities, industrialisation and development of infrastructure facilities like roads and railways in the hinterland.

Private Investment in the Existing Minor and Intermediate Ports

Private investment is invited in the existing minor and intermediate ports. General guidelines of privatisation are as follows:

- Incomplete works of wharf/ jetty/ quay of Gujarat Maritime board (GMB) will be privatised.
- Private entrepreneurs will be permitted to install modern mechanical handling equipments on the wharf/ jetty/ quay.
- Privatisation of the construction of new wharves/jetties in selected sites.

Captive Jetties for Industries

To ensure that the new port projects are financially viable, permissions for captive jetties is given only in exceptional cases depending on the quantum of investment and the need for specialised facilities. All industrial units would be encouraged to make use of new port facilities being set up.

Privatisation of Services

Privatisation of services is done in the following areas:

- Lighterage
- Dredging
- Piloting
- Tug towing service
- Other essential utility services

Barge Mounted Power Plants

To increase the availability and to ensure the quality of power in Gujarat, the barge mounted power plants in the five coastal districts of Kutch, Junagadh, Amreli, Bhavnagar and Bharuch will be provided with port facilities. To encourage establishment of these barge mounted power plants, wharfage is charged at a concessional rate of 25% of the existing rate.

Industrialisation

Port based industrial estates will be established in four to five new port areas to facilitate import of raw-materials and export of finished goods to make industries located in Gujarat globally competitive. GIDC plans such estates in the vicinity of the port locations with all necessary infrastructure facilities.

Maritime Related Industries

Maritime related industries like ship building, ship repairing, dredgers and other flotilla units like tugs, barges, launches and support crafts will be given priority to be located along Gujarat coast in collaboration with the leading global manufacturers. Gujarat Maritime waterfront would be leased to such manufacturing units at subsidised rates.

Implementation

Gujarat Maritime Board will act as the coordinating agency in procuring land, water, power, and infrastructure facilities like rail and road and any other clearances to be obtained from the Government of Gujarat or Government of India.

For further details please visit www.gmbports.org

3.4.8. BOOT Policy

The BOOT principles serve as a framework for involvement of the private sector in construction and operation of new ports.

The Gujarat Maritime Board (GMB) identifies the port location to acquire land for the project. The land is allotted on lease to the developer.

Lease Rentals

The developer has to pay 10% of the land acquisition cost as lease rent p.a. with an escalation of 10% every three years. The lease term/ BOOT period is around 30-35 years.

Development of Port Infrastructure

The developer is entirely responsible for the creation of port infrastructure. However, sublease and subcontract are allowed, to develop different port infrastructure. The developer is given complete flexibility in setting and collecting all tariffs.

Payment of Royalty

A “waterfront royalty” is set up by and payable to the government by the port. This is charged on a per-ton-per-type-of-cargo basis. The developer is granted a concession on the royalty payable to the Government for a specific period of time. The royalty concession ceases on completion of the BOOT period as the port will revert back to Government/GMB after the BOOT period is over.

Transfer of Assets

At the end of the BOOT period, the following mechanism is adopted for transfer of assets to the Government:

Immovable Assets: The immovable assets are transferred to the Government for a consideration that reflects the fair value of the assets being transferred.

Movable Assets: The developer has the option to take away all movable assets including equipment and infrastructure. In case the developer does not exercise this option, the Government will take over all movable assets for a consideration that reflects the fair value of the assets being transferred.

The fair value is calculated in accordance with a predetermined mechanism that is specified at the time of signing the concession agreement.

For further details please visit www.gmbports.org

3.4.9. Integrated Township Policy

Objective of the policy

The main objectives of the Township Policy are listed below:

1. To promote economic development
2. To facilitate the creation of efficient, equitable, and sustainable urban settlements
3. To facilitate public-private partnerships in urban development
4. To facilitate capacity building in the private sector and in the Government for urban development.

Key elements of the Township Policy

The key elements of the Township Policy are set out below:

Government's role and support

Government will primarily play the role of facilitator in implementing the Township Policy. The Government's role is detailed out in the policy under the following heads:

1. External Infrastructure – Power/Roads/Water
2. Land purchase support
3. Green Channel procedures
4. Special benefits
5. Rating of developers and projects
6. Monitoring mechanisms
7. Macro level planning and regulation of development

Developer's role and obligation

The developer plays a central role in the realisation of the objectives of the Township Policy. While the policy facilitates the township development process and simplifies procedures, it also provides a framework of norms to ensure that the public policy objectives are met and high quality townships are created. The developer's role is detailed out in the policy under following six heads:

1. Town planning norms
2. Mitigation of vulnerability
3. On-site physical and social infrastructure norms
4. Disclosure Norms
5. Performance standards for operation and maintenance
6. Provision for informal service providers

The implementation framework

The framework for implementation of the Township Policy is designed for simplicity of operations and also geared for achieving public policy objectives as well as for enabling high quality township development. The implementation framework is detailed out in the policy under following nine heads:

1. Applicable area
2. Eligibility Criteria
3. Classification of Townships by use
4. Flagship Townships
5. Performance Standards
6. Disclosure norms
7. Procedures
8. Mechanism to ensure compliance
9. Institutional framework
10. Any other matter

3.5. Special Economic Zones

3.5.1. Overview

Special Economic Zone (SEZ) is a specifically delineated, duty free enclave deemed to be outside the customs territory of India for the purposes of carrying out authorized activities. The objectives of SEZs include making available goods and services free of taxes and duties, supported by integrated infrastructure for export production, quick approval mechanisms and a package of incentives to attract foreign and domestic investments for promoting exports. SEZs are set up to provide an internationally competitive and hassle free environment for exports.

Units may be set up in a SEZ for manufacture, trading, re-conditioning and repair or for services activity. Units in SEZs have to be net foreign exchange earners but are not subjected to any predetermined value addition or minimum export performance requirements. Sales in domestic tariff area (DTA) for SEZ units shall be subject to positive foreign exchange and payment of full customs duty.

3.5.2. Regulatory Framework

The establishment, development and management of SEZs in India is governed by the SEZ Act 2005 and SEZ Rules 2006. SEZs are notified by the Ministry of Commerce and can be set up by private developers (including foreign companies) or by Central / State Governments or jointly by any two or more of the above. The Zones are required to have a minimum contiguous area of 1,000 hectares. However, SEZs established exclusively for services, product specific Zones (such as IT SEZs, electronic hardware SEZs, textile SEZs) as well as port and airport based zones can be of smaller areas.

3.5.3. Fiscal Benefits offered by Central Government

Income Tax Incentives

For Developers of SEZs

- 100% tax holiday for a period of any 10 consecutive years out of 15 years beginning from the year in which the SEZ is notified
- Interest on long term finance tax exempted
- Long-term capital gains arising on transfer of shares in developer company tax exempted
- No minimum alternate tax (MAT) for SEZ Units
- 10 year corporate tax holiday on export profit amounting to 100% for the initial five years and 50% for the next five years
- No MAT

Indirect Tax Incentives

For Developers of SEZs and SEZ Units

- Nil customs duty
- Nil excise duty
- Exemption from central sales tax
- Exemption from service tax
- Exemption from securities transaction tax
- Exemption from tax on sale of electricity for self generated and purchased power

Other Benefits

For Developers of SEZs

- Full freedom in allocation of developed plots to approved SEZ units on purely commercial basis

- Full authority to provide services like water, electricity, security, restaurants and recreation centres on commercial lines
- No net foreign exchange earning requirement imposed

For SEZ Units

- Exemption from electricity duty
- Duty-free procurement of capital goods (including second hand capital goods), raw materials and consumable spares from the domestic market
- Full freedom for sub contracting
- Facility to realize and repatriate export proceeds within 12 months
- Facility to retain 100% foreign exchange receipts in the export earners foreign currency account
- Net Foreign Exchange Earning: The Unit shall achieve Positive Net Foreign Exchange to be calculated for a period of five years from the commencement of production.

The details can be referred from Chap-VI in Part II, Section 3, Sub Section (i) of the Gazette of India Extraordinary, dated February 10, 2006, Government of India.

3.5.4. SEZ Act of Government of Gujarat

A special SEZ Act has been enacted by the Government of Gujarat in the year 2004 to provide for the operation, maintenance, management and administration of a SEZ in Gujarat.

Establishment of SEZ

Any person desirous of establishing the Special Economic Zone shall make an application in such form containing such particulars and documents, and accompanied by such fees as may be prescribed, to the State Government. The State Government shall scrutinize the application received and recommend the same, with modification, if any, to the Government of India for its approval and declaration of the area to be the Special Economic Zone and appointment of the Developer for such Zone.

SEZ Development Authority

The SEZ Development Authority has been constituted to oversee the establishment, operation and management of SEZ in Gujarat. The Chief Secretary to the Government of Gujarat shall be the chairperson of the Authority.

Unit Approval Committee

The Unit Approval Committee grants necessary local and state level clearances, approvals, licenses or, as the case may be, registrations under the state acts for setting up an unit within the SEZ. The unit Approval Committee shall supervise and monitor clearances, approvals, licenses or registrations granted by it and may take appropriate action under the relevant applicable laws for breach of or non-compliance of any terms and conditions of any such clearance, approval, license or registration.

SEZ Development Committee

The SEZ Development Committees' members include the developer or his/her representative, the development commissioner of the SEZ or his/her representative and a nominee of the Government of Gujarat.

Some of the primary functions of the Committee include:

- To prepare a plan for the development of the Zone in conformity with the guidelines prepared by the Authority and to demarcate and develop sites for industrial, commercial, residential and for other purposes according to the plan
- To provide infrastructure facilities and amenities
- To allocate and transfer, either by way of sale or lease or otherwise, plots of land for industrial commercial, residential, or other purposes

- To regulate the construction of buildings
- To erect substantial boundary marks defining the limits of or any alteration in limits of the Zone
- To ensure that the units and the residents have access to the social infrastructure facilities and services
- To determine the charges for infrastructural facilities, amenities and services provided by the developer

Benefits offered by Government of Gujarat

In addition to the incentives offered by the Central Government, the following benefits are available under the SEZ Act of Government of Gujarat:

- Flexibility of Labour Laws: Gujarat is the only state in India to have amended the Industrial Disputes Act with respect to SEZs after obtaining prior sanction from the Government of India. Flexibilities in labour laws pertaining to hire and fire, longer working hours, engaging contract workers are also available due to the amendment. A unit in SEZ is to file Consolidated Annual Report (CAR) in the prescribed form instead of Periodical Returns to the Development Commissioner of SEZ.
- Electricity Duty Exemption: The industrial units setting up a power plant for captive requirements in a SEZ are offered electricity duty exemption for a period of 10 years.
- Other Incentives: The industrial units setting up operations in a SEZ are exempt from the levy of stamp duty or registration fees on transfer of land, loan agreement, credit deeds, mortgage documents or any other contracts. The units are also exempt from purchase tax, motor spirit tax and entertainment tax. Moreover, the tax on supply of raw materials from domestic tariff areas (DTA) to units located in SEZ is exempt.

SEZs in Gujarat

In Gujarat, there are 53 SEZs (3 Functional, 4 Notified & Functional, 17 Notified, 17 Formal approvals and 12 In-principal as in March 2008). For details on the SEZs, please refer to Annexure-B.

3.6. 100% Export Oriented Units (EOUs)

Apart from the SEZ Act, the EOU scheme has been formulated by the Government of India to encourage exports. 100% EOUs may be set up outside SEZs. The EOUs need to be positive Net Foreign Exchange earners.

Net Foreign Exchange earnings shall be calculated cumulatively in block of five years starting from the commencement of production.

Incentives

- Exemption from customs duty on industrial inputs and capital goods including second hand capital goods
- Exemption from payment of excise duty on local procurement of inputs and capital goods including second hand capital goods
- Credit of service tax paid on input services
- Reimbursement of central sales tax paid on interstate purchases

3.7. Types of Organizations in India

- Corporations
- Partnerships
- Sole Proprietorship

The corporations incorporated in India and foreign corporations present in India are regulated by the provisions of the Companies Act, 1956. The Companies Act, 1956 has been enacted to oversee the functioning of corporations in India.

3.7.1. Major Types of Corporate Forms

Corporations in India are classified as private and public limited corporations. A corporation established for charitable purpose would be allowed to be formed under the provisions of section 25 of the Companies Act, 1956.

Private Limited Corporation

A private corporation incorporated under the Companies Act, 1956 has the following characteristics:

- The right to transfer shares is restricted
- The maximum number of shareholders is limited to 50
- No offer can be made to the public to subscribe to its shares and debentures
- No invitation or acceptance of deposits from persons other than members, directors or relatives is allowed
- Such a corporation is required to have a minimum paid-up capital of US\$2439 with a minimum of two directors.

Public Limited Corporation

A public limited corporation is defined as one that is not a private corporation. A public corporation is required to have a minimum paid up capital of US\$12195 with a minimum of seven members and three directors.

Foreign Corporations

Foreign corporations that are incorporated outside India, but have a presence in India in form of liaison offices, project offices, branch offices are also governed by the Companies Act, 1956. The Act contains provisions for regulating the entities. Such companies have to register themselves with the registrar of companies, New Delhi within 30 days of establishing a place of business in India.

3.7.2. Structures used by Foreign Investors

Common business structures employed by foreign investors in India are private limited companies (mostly wholly-owned subsidiaries of the foreign companies), liaison offices, branch offices and project offices.

Subsidiary Companies

Foreign corporations can set up their subsidiaries in form of private limited corporations in India. The procedure for incorporation for the same is laid down under the Companies Act, 1956. The subsidiary company is treated as a domestic company for tax purposes.

Branches

Foreign corporations may open branch offices to conduct business in India. For opening a branch office in India, they require specific approval from the Reserve Bank of India (RBI). Such approval prescribes the activities that a branch office may undertake in India. A branch office is required to register itself with the registrar of companies and comply with certain procedural formalities prescribed under the Companies Act, 1956. For

income tax purposes, a branch office is treated as an extension of the foreign corporation in India and taxed at the rate applicable to foreign companies.

Liaison Offices

Foreign corporations are permitted to open liaison offices in India for undertaking liaison activities on their behalf. Such offices are normally established to promote their business interests in the country by spreading awareness of their products and exploring opportunities for setting up a more permanent presence in India.

Project Offices

A foreign corporation, which has secured a contract from an Indian company to execute a project in India, may establish a project office in India without obtaining prior permission from RBI.

3.8. Mergers and Acquisitions

The SEBI's Substantial Acquisitions of Shares and Takeovers Guidelines, 1997 (Takeover Code) seek to protect the interest of small investors and also strengthen the regulatory framework for takeovers. The takeover code gets triggered if the acquisition of the shares of a company listed on a stock exchange (together with shares already held) results in a holding of 15% or more of the voting capital, or a change in management control.

The Takeover Code requires the acquirer to make a public offer to the remaining shareholders to obtain in aggregate, a minimum of 20% of the voting capital at a prescribed minimum offer price.

Acquirers holding more than 15% but less than 55% of the voting capital may increase their holdings by 5% in any 12 month period without triggering the requirement to make a public offer. Acquirer holding 55% or more but less than 75% of the voting capital can acquire any additional share or voting right only if he makes the public offer.

3.8.1. Reorganisations and Mergers

Reorganisation of a company by a compromise (shareholders', creditors' and others' sacrifice of their claims and entitlements to resurrect the company) or by an arrangement between the company and its creditors requires sanctioning by the jurisdictional High Court. The power to approve reorganisations and mergers has recently been shifted from the High Courts to National Company Law Tribunal (NCLT). However, NCLT is still in the process of being formed.

3.8.2. Buyback of Shares

The Companies Act, 1956 permits a company to buyback its share capital to a ceiling of 10% of the paid-up equity capital and free reserves, provided the same is sanctioned in the company's board meeting. However, no such offer shall be made within 365 days from the date of the preceding offer of buyback made. A company may also buyback 25% of the company's paid up capital and free reserves, provided the buyback is sanctioned by a special resolution. The Companies Act, 1956 also prescribes certain conditions relating to reserves, debt equity ratios for a company to be eligible for undertaking buyback of shares.

The companies listed in a stock exchange in India are subject to guidelines prescribed by SEBI with respect to buyback of shares.

3.8.3. Capital Reduction

Capital reduction is a court regulated process, whereby a company can pay off its shareholders by cancelling or reducing capital, or by cancelling the share capital against the accumulated losses.

Capital reduction requires sanction by the jurisdictional High Court. The power to approve capital reduction has recently been shifted from the High Courts to NCLT.

3.8.4. Demerger

Demerger is a reorganization tool that is increasingly being employed by companies to segregate their core and non-core businesses.

Demerger involves the transfer of an identified business from one company to another. In consideration, the company into which the business is spun off, issues shares to the shareholders of the selling company. Demerger is also a court regulated process which requires sanction by the jurisdictional High Court. The power to approve capital reduction has recently been shifted from the High Courts to NCLT.

3.8.5. Slump Sale

Slump sale is another reorganization tool available to corporates. It involves the transfer of identified business from one company to another. Unlike a Demerger, slump sale is not a court regulated process and can be achieved through a simple shareholder resolution and legal agreement.

4. TAXES

India has a well developed tax structure with the authority to levy taxes divided between the Central Government and the State Governments. The main taxes (or duties) that the Union Government can levy are: Income Tax, Customs duties, Central Excise, Sales Tax, and Service Tax.

The main taxes (or duties) that the State Governments can levy are: Sales Tax (tax on intra-State sale of goods), Stamp Duty (duty on transfer of property), State Excise (duty on manufacture of alcohol), Land Revenue (levy on land used for agricultural/non-agricultural purposes), Duty on Entertainment and Tax on Professions and Callings.

Tax rates and duties are reviewed annually when budgets are presented. Amendments to the statutes are made through the annual Finance Acts or specific Amendment Acts.

India has a well developed tax structure. The power to levy taxes and duties is distributed among the three tiers of Government, in accordance with the provisions of the Indian Constitution.

4.1. Administration

The power of administration, supervision and control in the area of direct taxes lies with the Central Board of Direct Taxes (CBDT). CBDT works with the Ministry of Finance (MoF) and exercises influence over the working of the direct tax laws.

The Central Board of Excise and Customs (under the MoF) deals with the formulation of policies concerning levy and collection of customs, central excise duty, and service tax. The Indian fiscal year begins on April 1 and ends on March 31 of the subsequent year, for the purpose of taxation.

4.2. Income Tax

The levy, assessment and procedure for payment of income tax in India are governed by the Income Tax Act, 1961.

4.2.1. Corporate Tax

Liability for Income Tax

The liability for income tax is determined by the residential status of the company during the fiscal year. A company is considered as resident if they meet either of the following criteria:

- It is an Indian company
- The control and management of the company's affairs is situated wholly in India during the fiscal year.

A company is treated as "non resident" in India in any fiscal year if it does not meet any of the above mentioned criteria.

Scope of Income Liable to Tax

- Companies resident in India are taxed on income received/accrued/arising in India and outside India.
- Non-resident companies are taxed on the income received/accrued/arising from a business connection in India or from other sources in India.

Income subject to Tax

Income received/accrued/arising from business/profession (after deducting expenses thereof), house property rent, investment income, capital gains arising from transfer of company's capital assets, and any other residual income arising from non-business activities is subject to tax.

Corporate Tax Rates

Tax rates applicable to companies for the financial year commencing on April 1, 2008:

Residential Status	Income Tax Rate
Domestic Companies	<ul style="list-style-type: none">• 30.99% (inclusive of applicable surcharge and education cess, in case where the total income is equal to or less than US\$0.25 million)• 33.99% (inclusive of applicable surcharge and education cess, where the total income is greater than US\$0.24million)
Foreign Companies (Branch / Project office)	<ul style="list-style-type: none">• 41.20% (inclusive of applicable surcharge and education cess, where the total income is equal to or less than US\$0.24million)• 42.33%(inclusive of applicable surcharge and education cess, where the total income is greater than US\$0.24 million)

Dividend Distribution Tax

Dividend Distribution Tax (DDT) is the tax levied on the companies by the Indian Government on the dividends paid to the investors. The company is liable to pay the tax of 16.995% (inclusive of surcharge and education cess)

Amendment to provision relating to DDT, applicable from April 1, 2008 onwards, as given below:

Presently, any amount declared, distributed or paid by a domestic company by way of dividend is subject to DDT. Now, the dividends subject to DDT will be reduced by dividend received by the domestic company, provided the following conditions are satisfied:

- the dividend is received from its subsidiary*;
- the subsidiary has paid tax on the dividend; and
- the domestic company is not a subsidiary of any other company

*A company shall be said to be a subsidiary of another company if more than half of the nominal value of the equity share capital of such company is held by the other company

Minimum Alternate Tax (MAT)

With an object to bring zero tax companies under tax net, Minimum Alternate Tax (MAT) has been introduced. The scope of MAT is now widened, hence book profits shall be increased by amount of deferred tax provisions.

- MAT is levied at 10 % of the adjusted book profits in the case of companies where income-tax payable on the taxable income according to the normal provisions of the Income-tax Act, 1961, is less than 10 % of the adjusted book profits.
- Surcharge is applicable at 10 % in the case of domestic companies if the adjusted book profits are in excess of US\$0.24 million.
- Education cess is applicable at 3% on income-tax (inclusive of surcharge, if any).

Tax Incentives

Income tax incentives include tax holidays for corporate profits, accelerated depreciation allowances and deductibility of certain expenses subject to fulfillment of prescribed conditions.

4.2.2. Individual Tax

Liability for Income Tax

The liability for income tax is determined by the residential status of the individual during the fiscal year.

Individuals are considered as residents if they meet either of the following criteria:

- Individual has stayed in India for 182 days or more during the fiscal year
- Individual has stayed in India for 60 days or more during the fiscal year and has stayed in India for atleast 365 days in aggregate during the preceding four fiscal years

An individual who does not meet either of the above conditions is considered to be non-resident. Individuals are considered as “not ordinary residents” if they have been nonresidents in India in 9 out of 10 preceding fiscal years or have been in India for an aggregate of 729 days or less in the preceding seven fiscal years.

Scope of Income Liable to Tax

- Individuals who are residents are liable to tax on income received/accrued/arising in and outside India.
- Individuals who are residents but “not ordinary residents” are taxed on the income received/accrued/arising in India and on income received outside India arising from either a business controlled or a profession established in India.
- Individuals who are non-residents are liable to tax on income received/accrued/arising in India.

Income subject to Tax

Income received/accrued/arising from employment, business/profession, house property rent, investment (except dividend income which is exempt), winnings from lotteries etc., capital gains arising from transfer of securities/property and any other income received/accrued/arising in India is subject to tax.

Deductions

An individual shall be allowed deduction in respect of life insurance premium, contribution to provident fund, subscription to certain equity shares or debentures etc. subject to a maximum limit of US\$2439 with effect from April 1, 2005.

Rates

Tax rates for Individuals, Hindu Undivided Families, Association of Persons and Body of Individuals, for fiscal year starting April 1, 2008:

Income Slabs (Rs)	Income Tax Rate
0-150,000 [#]	Nil
150,001-300,000	10%
300,001-500,000	20%
500,001-1,000,000	30%
Above 1,000,000	30%(Surcharge of 10% of the total income tax liability is applicable where the total income exceeds Rs 1,000,000)

[#] In the case of a resident woman below the age of sixty five years, the basic exemption limit is US\$4,390

#In the case of a resident individual of the age of sixty five years or above, the basic exemption limit is US\$5487

- Education cess is applicable at 3% on income tax (inclusive of surcharge, if any)

4.2.3. Capital Gains Tax

Capital gains means any profits or gains arising from the transfer of a capital asset affected in the fiscal year. Capital assets include all kinds of properties except stock-in-trade, raw materials and consumables used in business or profession, personal effects (except jewellery), agricultural land and notified gold bonds.

Capital asset is divided as long term or short term with reference to the period of holding of the asset.

Long term capital asset means asset held for more than three years and the following assets held for more than one year:

- Shares and other securities listed on recognized stock exchange
- Units of Unit Trust of India and specified mutual funds
- Specified zero coupon bonds

Capital gain arising from transfer of long term capital asset is referred to as long term capital gain. Whereas, capital gain from transfer of short term capital asset is short term capital gain. In case of long term capital asset, the cost of capital asset is adjusted for inflation (indexation) to arrive at an indexed cost.

Capital gains are charged at the following rates for the fiscal year beginning April 1, 2008:

Particulars	Tax Rate
Short term capital assets being listed shares and units of equity oriented fund which have been charged to Securities Transaction Tax (STT)	15%
Other short term capital assets	Normal Corporate/ Individual tax rates
Long term capital assets being listed shares and units of equity oriented fund which have been charged to Securities Transaction Tax (STT)	Nil
Other long term capital assets	20%

Surcharge of 10% and education cess of 3% would also be levied.

4.2.4 Securities Transaction Tax (STT)

STT is payable on transactions in equity shares, derivatives, and units of an equity oriented mutual fund entered in a recognized stock exchange, or on the sale of units of any equity mutual fund to the mutual fund.

The levy on STT an exchange traded options in securities shall be as follows:

Transaction	Rate	Payable by
Purchase/Sale of equity shares, units of equity oriented mutual fund (delivery based)	0.125%	Purchaser / Seller
Sale of equity shares, units of equity oriented mutual fund (non –delivery based)	0.025%	Seller
Sale of derivatives *	0.017%	Seller
Sale of an option in securities **	0.017%	Seller
Sale of an option in securities, where option is exercised **	0.125%	Purchaser
Sale of futures in securities **	0.017%	Seller
Sale of unit of an equity oriented fund to the Mutual Fund	0.25%	Seller

* Applicable up to May 31, 2008.

** Applicable with effect from June 1, 2008.

4.2.5. Fringe Benefit Tax

An additional tax termed as “Fringe benefit tax” has been introduced with effect from financial year 2005-06. It provides for levy of an additional tax at the rate of 30% (plus applicable surcharge and education cess) in the hands of the employer on the value of fringe benefits provided to the employees other than perquisites on which tax is paid /payable by the employee.

The provision/amendments given below, to come into effect from fiscal year starting April 1, 2007.

FBT will now be recognised as tax paid by the employee in connection with a claim of tax credit in a foreign country by the employees. Key aspects of this amendment are:

- Presently, there is no express provision for the FBT paid by the employer as a result of allotment or transfer of specified securities or sweat equity shares, and recovered from the employees under the Income-tax Act, to be recognised as tax payment by the employee
- Now, the FBT payable has been recognised as tax payment under the Income-tax Act, which would be available as credit for set-off against the tax liability of the employee.
- However, this benefit is not available for credit purpose and is likely to benefit employees claiming credit under foreign tax laws.
- No refund of this FBT is available to the employee under the Income-tax Act

4.2.6. Banking Cash Transaction Tax

Banking Cash Transaction Tax (BCTT) is currently charged in respect of every taxable transaction entered into on or after June 1, 2005 at the rate of 0.1% on the value of following ‘taxable banking transactions’ entered with any scheduled bank on any single day:

- Withdrawal of cash from any bank account other than a savings bank account; and
- Receipt of cash on encashment of term deposit(s).

Value of taxable banking transaction that attract BCTT:

In case of	Amount (US\$)
An individual or HUF	> 1,220
Other than an Individual or HUF	> 2,439

Now, no BCTT will be charged on taxable banking transactions entered into on or after April 1, 2009

4.2.7. Wealth Tax

Wealth tax is governed by the Wealth Tax Act, 1957. Wealth tax is charged in respect of the net wealth as on March 31st every year (referred to as 'valuation date'. The term 'net wealth' broadly represents excess of prescribed assets over the concerned debts. Wealth tax is charged at the rate of 1% on the value of specified assets held by the taxpayer in excess of the basic exemption of US\$0.04 million.

4.3. Excise Duty (ED)

Excise duty is a tax applicable to manufacture of goods within India. Excise duties are governed by the Central Excise Act, 1944 and the Central Excise Tariff Act, 1985.

Excise duty is levied on ad valorem basis (expressed as a percentage of value of goods) or based on maximum retail price (for notified goods).

The key changes made applicable from fiscal year beginning April 1, 2008 are as follows:

- Effective rate is reduced from 16.48% to 14.42%
- Elements of ED payable by Export Oriented Unit(EOU), Software Technology Park(STP) and Electronic Hardware Technology Park(EHTP) on clearance to Domestic Tariff Area(DTA) has been increased from 25% to 50% of Basic Custom Duty(BCD)

Changes in the basic duty rates on some key items are set out below:

Items	Basic Duty (%)
Drug Formulations	8
Small Cars	12
Hybrid Cars	14
Two wheelers and passenger	12
Packaged software	12

4.3.1 MODVAT /CENVAT

Modified Value Added Tax (MODVAT) follows VAT Scheme of taxation, regulated by Rules 57A to 57U of the Central Excise Rules and the notifications issued there under (The Central Excise Rules, 2002 (Section 143 of the Finance Act, 2002).

MODVAT Scheme ensures the revenue of the same order and at the same time the price of the final product could be lower. Apart from reducing the costs through elimination of cascade effect, and bringing in greater rationalisation in tax structure and also bringing in certainty in the amount of tax leviable on the final product, this scheme will help the consumer to understand precisely the impact of taxation on the cost of any product and will, therefore, enable consumer resistance to unethical attempts on the part of manufacturers to raise prices of final products, attributing the same to higher taxes.

Subsequently, MODVAT scheme was replaced by CENVAT (Central Value Added Tax) scheme. A manufacturer or producer of final product is allowed to take CENVAT credit of duties specified in the CENVAT Credit Rules, 2002.

4.4. Customs Duty

Customs duty is levied on the import of goods into India. The levy and rate of customs duty are as per the Customs Act, 1962 and the Customs Tariff Act, 1975 respectively. Customs duty on imports comprises of the following:

- Basic customs duty(BCD)
- Additional customs duty
- Education cess

Any or all of the above duties could be reduced or exempted for specified commodities/class of importers by the Central Government

The rates of basic customs duty are specified under the tariff act for each item and vary according to the description of the said goods. Additional customs duty is equivalent to the excise duty that would have been paid if the goods were manufactured in India. Education cess at the rate of 3% is levied on the aggregate of excise duties payable.

Effective rate of customs duty reduced from 34.13% to 31.70% (CENVAT credit to manufacture at 20.93%)
The new customs valuation for import and export of goods were notified to be effective from October 10, 2007

BCD has been reduced on products imported under the South Asia Free Trade Area Agreement from SAARC countries namely, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, and Sri Lanka.

4.5. Service Tax

It is an indirect tax levied on the transaction of certain specified services by the Central Government under the Finance Act, 1994.

In this, normally the service provider pays the tax and recovers the amount from the recipient of taxable service.

Generally, the service provider who provides the taxable service, on receipt of service charges is responsible for paying the Service Tax to the Government

The Service provider has to register itself with the central excise or service tax office having jurisdiction over the office of such service provider.

- Service tax is levied on certain identified taxable services provided in India by specified service providers. Currently, service tax is levied at the rate of 12.36% (inclusive of 3% education cess).

- The scope of existing taxable services has been widened including banking and other financial services, technical testing and certification, tour operator services, etc..
- Threshold limit for Service Tax exemption has increased from US\$0.02 million to US\$2.44 million

More details can be referred at the following website: <http://www.cbec.gov.in/cae1-english.htm>

4.6. Central Sales Tax

Sales tax is levied on the sale of virtually all movable goods in India. The Indian regulatory framework has granted power to the State Legislature to levy tax on goods sold within the state. The levy of sales tax and rates applicable thereto vary according to the sales tax law of the respective states. However, most Indian states have replaced the sales tax regime with Value Added Tax (VAT) from April 1, 2005.

All goods sold in the course of interstate sale are subject to levy under Central Sales Tax (CST) Act, which is imposed by the Central Government. The rate of CST is generally 3% when goods are sold for the purpose of use in manufacture or resale, for use in telecommunication equipment, generation of power, mining etc. subject to the provision of the declaration forms prescribed under the CST Act. CST will be phased out after introduction of VAT regime in all the states of India.

4.6.1. Gujarat Sales Tax

The levy of sales tax in Gujarat was governed by the Gujarat Sales Tax Act, 1969. However, the Act has been replaced by the Gujarat Value Added Tax Act, 2003 with effect from April 1, 2006. The levy and collection of VAT in Gujarat is governed by the Gujarat VAT Act, 2003. Any dealer (person who in course of his business buys, sells, manufactures, makes supplies or distributes goods) whose total turnover during the year exceeds US\$12195.12 is liable to pay tax as per rates suggested by the Empowered Committee of the State Finance Ministers and decided by the State Government.

4.6.2. Value Added Tax (VAT)

State level sales tax has been replaced by VAT with effect from April 1, 2005 in a majority of Indian states. The key features of VAT are

- Till CST is phased out, it will continue to co-exist with state VAT.
- VAT is a multi-point tax system and is levied on value added at each stage.
- VAT has replaced existing state level taxes like sales tax, works contract tax, lease tax, turnover tax, resale tax etc. However, existing sales tax incentives have been continued by the Government.
- VAT has been introduced in the State from April 1, 2006.

The basic rate slabs under VAT are:

Nature of Transaction	Amount of VAT
Tax on natural and unprocessed products and other essential goods.	0%
Silver, gold ornaments.	1%
Agricultural and industrial inputs, IT products, capital goods, items of basic necessities	4%
Other goods (presently charged at 8% or 12%)	12.5%

- VAT paid on goods purchased from within the state will be eligible for VAT credit. The input VAT credit can be utilised against the VAT/Central Sales Tax (CST) payable on the sale of goods. It is thus ensured that the cascading effect of taxes is avoided and only the value addition is taxed.
- No credit is available for taxes paid in other states and CST.
- Full input tax credit/refund is available in respect of goods exported outside India.
- Composition scheme is available for dealers having turnover of upto US\$0.12 million in most states. Under this scheme, tax is payable at a nominal flat rate (usually 1%) without any provision for input tax credits.
- 75% provisional refund is given on production of certain documents.
- Parameters for audit assessment given in the rules.
- Number of e-services like, on-line application for registration, e-return, e-payment and e-waybills have been started.
- Unique and instant electronic matching is being done.

For more details on VAT in Gujarat, please visit the website www.commercialtax.gujarat.gov.in

4.7. Research and Development Cess

Under the Research and Development Cess Act, 1986, cess is levied by the Central Government at the rate of 5% on the import of technology into India. Such cess is required to be paid by the importer on payments made for such imports.

4.8. Taxes levied by Government of Gujarat (State Level Taxes)

4.8.1 Stamp Duty and Registration Fees

The stamp duty rates prescribed by the Parliament in respect of bill of exchange, banker's cheque, transfer of shares etc. will prevail all over India. However, other stamp duty rates prescribed by the Parliament in Indian Stamp Act, 1899 (e.g. stamp duty on agreements, affidavit, articles of association of a company, partnership deed, lease deed, mortgage, power of attorney, security bond etc.) are valid only for Union territories. In case of States, the rates prescribed by individual States will prevail in those States.

Stamp duty is a significant source of revenue for State Governments, payable when any instrument, which includes any document by which any right or liability is created, transferred, limited, extended, extinguished or recorded, is executed.

The rates applicable to stamp duty can be referred at the website below:
http://www.gicl.in/duties_07.html

4.8.2. Electricity Duty and Tax on Sale of Electricity

The electrical energy supplied/ wheeled to different recipient units of group companies from the captive power plant of a supplying company would be subjected to payment of Electricity Duty as per schedule I of the Bombay Electricity Duty Act, 1958 and Tax on Sale of Electricity as per the provisions of Gujarat Tax on Sale of Electricity Act, 1985, as amended from time to time.

4.8.3. Professional Tax

The levy and collection of a tax on professions, trades, callings and employments is governed by the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976. A person engaged in any profession or earning a wage or salary is levied tax under the Act. The tax is deducted by the employer from the salary or wage and paid to the Government on behalf of the employee. Profession tax is levied only if income exceeds

US\$878 p.a. The rates of professional tax depend on the salary/wages earned and the profession in which taxpayer is engaged with the maximum tax payable being US\$61p.a.

4.8.4. Entertainment Tax

Entertainment tax is levied on revenue of cinema houses, video parlours and cable operators. The rates applicable are:

Levy of Tax	Entertainment Rates
Cinema Houses	25% on admission rate to be paid on a weekly basis
Video Parlours	Compound tax to be paid every month as per seating capacity
Cable Operators	Every proprietor has to pay tax in advance in quarterly installments at the rate of US\$14.5 per month for first 100 connections plus US\$7.3 for every additional 50 connections or part thereof in urban areas and at half of such rates for other areas.

4.8.5. Motor Spirit Cess

The motor spirit cess is levied under the Gujarat Motor Spirit Cess Act, 2001. The Act provides for levy of cess on motor spirit in the State of Gujarat for the purpose of creating a fund in order to compensate local authorities consequent on the abolition of octroi. The cess is levied at a rate of not more than 4% (2% for Petrol and 3% for Diesel) on the turnover of sales of motor spirit by a manufacturer, importer or trader.

4.8.6. Sukh Suvidha Kar (Tax on Hotels)

The said tax is levied on hotels offering residential facilities. The tax is payable on a monthly basis. The tax rates are as follows:

Nature of Transaction	Tax Rate
Upto US\$12(Rs 500)	Nil
US\$12 – 49(Rs 501-2000)	4% of tariff
US\$49(Above Rs 2000)	<ul style="list-style-type: none"> ▪ Fixed tax at the rate of 6% of tariff assuming 50% occupancy, or ▪ 12.5% of tariff on basis of actual occupancy

5. FINANCIAL REPORTING AND AUDITING IN INDIA

Companies in India follow fundamental accounting principles and practices. The Institute of Chartered Accountants of India (ICAI) issues accounting standards to be followed by enterprises. While formulating the accounting standards, the Accounting Standards Board (ASB) gives due consideration to International Accounting Standards issued by the International Accounting Standards Committee. All accounting standards issued are mandatory and companies are required to comply with these standards and disclose significant accounting policies in the preparation of the financial statements. ICAI also issues guidance notes and auditing and assurance standards which are designed to guide auditors on matters that may result during the course of audit.

5.1. Statutes/bodies Governing the Reporting Requirements

The ICAI, SEBI, the Companies Act, 1956 and the Income Tax Act, 1961 govern the financial reporting requirements of companies in India. RBI, Insurance Regulatory and Development Authority (IRDA) have regulatory powers for banking and financial companies, and for insurance companies, respectively.

5.2. Accounting Methodology

The fundamental accounting assumptions of going concern, consistency and accrual of income and expenses need not be disclosed in the financial statements. Departure from these basic concepts, however, must be disclosed.

All significant accounting policies should be disclosed in one place in a separate statement or schedule to the financial statements. Inflation accounting is not used in India; accounts are prepared using the traditional cost accounting convention.

5.3. Funding of Indian Businesses

5.3.1. Share Capital

The Companies Act, 1956 permits companies to issue only the following two kinds of share capitals:

- Preference share capital (preferred stock)
- Equity share capital (common stock) with/without voting rights

The restriction is not applicable to private companies which are not subsidiaries of a public company. These companies are free to issue other kinds of share capital. The nominal value of shares is not prescribed by the Companies Act, 1956, but is normally US\$0.24 per share for equity share and US\$2.44 per share for preference shares. The pricing of new issues of capital is governed by guidelines issued by SEBI, the body that regulates and oversees the functioning of the Indian stock markets.

5.3.2. Debentures and Borrowings

Companies can raise funds by issuing debentures, bonds and other debt securities. They can also raise funds by accepting deposits from public. The Companies Act, 1956 forbids debentures from carrying any voting rights.

5.4. Disclosure Requirements

Financial statements should consist of the following items:

- Balance sheet
- Profit and loss assessment
 - Notes to the financial statement
 - Auditor's report
- Cash-flow statement

The directors' report must accompany each set of the financial statements and must include the following information:

- The state of company's affairs and any change in the nature of its business or subsidiaries
- The amount of proposed additions to any reserve account
- The recommended dividend amount
- Foreign exchange received and expended
- Directors' responsibility statement indicating that proper accounting statements have been followed in preparing the annual accounts; accounting policies have been applied consistently; and adequate accounting records have been maintained etc.
- Full information and explanation on every reservation, qualifications or adverse remark contained in the auditor's report

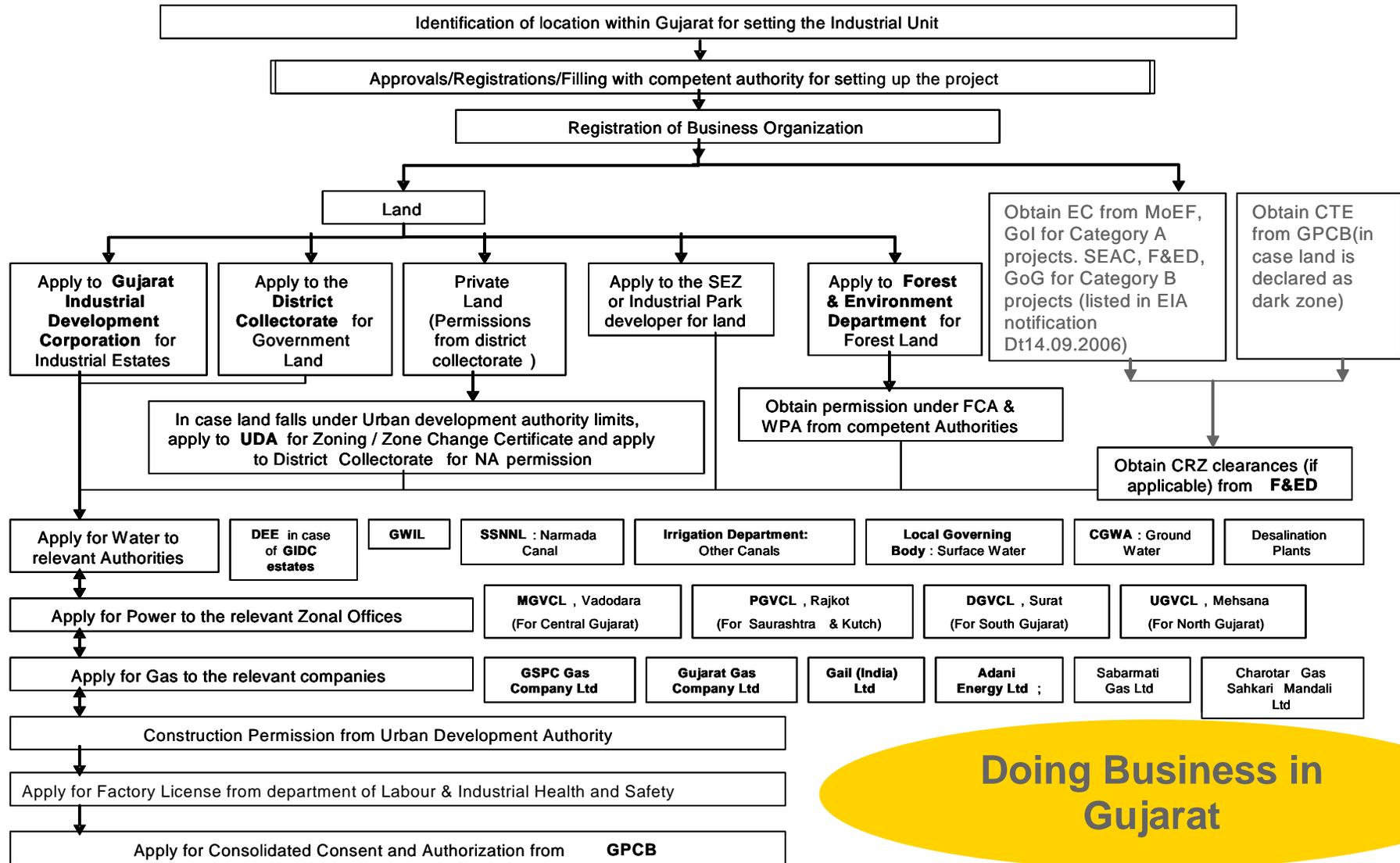
5.5. Audit Requirements

All companies, banks and financial institutions must have their accounts audited by an auditor who is a practicing member of the ICAI. The branch of a company is also required to be audited. Such audit can be conducted by the company's auditor or the branch auditor qualified to be appointed as such by the company.

Every company with gross revenues in excess of US\$0.10 million has also to get accounts audited under the Income Tax Act, 1961. According to the Companies Act, 1956, every listed company or company with a paid-up capital and reserves exceeding US\$0.12 million as at the commencement of the financial year or average annual sales above US\$1.2 million for three consecutive financial years, immediately preceding the financial year concerned is required to have an appropriate internal audit system.

6. ROADMAP FOR SETTING UP INDUSTRY IN GUJARAT

The procedural flowchart for the steps to be undertaken by an investor for setting up an industrial unit in the State of Gujarat is set out below:



The above flowchart depicts in brief, the various permissions required by an investor for setting up an industry in Gujarat. The detailed procedure for application along with the contact of respective departments is provided in the subsequent sections.

6.1. Approvals/Registration/Filing Information for Setting up a Project

Approvals from the Government of Gujarat or Government of India need to be taken for setting up a project depending on the nature of the industry and scale of investment. The details of approvals required and the authority granting approvals are as below:

Procedure	Applicability	Authority
SSI Registration	Small Scale Units, having investment upto US\$1.2 million	District Industries Centre (DIC) of the district where the unit is to be located
Industrial Entrepreneur's Memorandum (IEM)	The ^[1] small and medium enterprises as classified, are required to file EM Part-I for starting an industrial project. On completion of the project, the entrepreneur is required to file Entrepreneurs Memorandum (EM) Part-II.	District Industries Centre/ Industries Commissionerate, Government of Gujarat.
Filing Industrial Entrepreneur's Memorandum (IEM)	Industries exceeding Investment of US\$2.44million (which are exempt from the provisions of industrial licensing)	Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India
Letter of Intent (LOI)	Industries where licensing is required	Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India, New Delhi
Letter of Permission (LOP)	100% EOUs and SEZ units	For Automatic Approval: The Development Commissioner, Kandla Special Economic Zone, Ministry of Commerce and Industry, Government of India, Kandla (Dist. Kutch), Gujarat For other industries: Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India, New Delhi

**Industries for which compulsory licensing is required are mentioned in the Chapter 3.1.1.*

Under the Micro, Small and Medium Enterprises Development Act 2006 by Government of India, Micro, Small and Medium Enterprises are classified as under:

Enterprises	Investment in Plant & Machinery (Manufacturing)	Investment in Equipment (service)
Micro	Less than US\$0.06 million	Less than US\$0.02 million
Small	US\$ 0.06 million – US\$1.2 million	US\$0.02 million – US\$0.49 million
Medium	US\$1.2 million – US\$2.44 million	US\$0.49 million – US\$1.2 million

6.2. Registration of Business Organization

After the approval for setting up a project is granted, business organisations formed will have to get registered with the concerned authority. The details of the authority registering business entities are set out below:

6.2.1. Sole Proprietorship : No registration is required

6.2.2. Registration as partnership firm:

Registrar of Partnership Firms
Government of Gujarat
Vechan Vera Bhavan. Ashram Road
Ahmedabad - 380009

6.2.3. Approvals required from Registrar of Companies:

A Company desiring to register themselves as Private or Public Limited is required to approach the Registrar of Companies, and the following two steps are required.

Office of Registrar of Companies,
ROC Bhawan, Opp. Rupal Park
Near Ankur Bus Stan
Naranpura, Ahmedabad-380013

6.2.3.1. Registration of Name

The new business entity is required to register the name of the company, to be established in Gujarat, Application form 1A

6.2.3.2. Upon the registration of name, the company is required to approach the department with the following application forms/documents.

- a) Application Form-1 (Application or declaration for incorporation of a company)
- b) Application Form 32 (Particulars of appointment of managing director, directors)
- c) Application Form 18 (Notice of situation or change of situation of registered office)
- d) Memorandum and articles of association, address of the registered or principal office and directors and secretary of a foreign company.

6.3. Approvals required for Allotment of the Land

An investor can purchase Land through various available options set out below:

- Government Land
- Private Land
- Land in Gujarat Industrial Development Corporation (GIDC) Estate
- Forest Land
- Land Parcel in Special Economic Zone (SEZ) or Industrial Park (IP)

The procedure for acquiring land along with the various approvals from respective authorities is set out below:

6.3.1. Government Land

The application for Government land can be made only to the Collector of the respective district in the prescribed format with the document stipulated therein.

The contact details of each district collector along with the website of their respective Collectorate is available at <http://www.gujaratindia.com/government/collector.asp>

The Government Land falls under two categories namely Waste Land and Gauchar Land. The pre-conditions under which the land is allotted are set out below:

- Land is allotted at Market Price preferably from the Land Bank identified for Industrial, Agro and Tourism usage.
- Land is allotted on lease for industrial purpose at 15% annual rent of the market price as annual rent. The market price is subject to review every five years.
- Land upto two hectare value of which is not more than US\$0.04 million is allotted by the District Collector except in the six cities i.e. Ahmedabad, Vadodara, Surat, Rajkot, Jamnagar and Bhavnagar. In other cases, the power lies with the Revenue Department.
- Gauchar land is allotted only if Waste land is not available. Resolution from respective Gram Panchayat is necessary for the allotment of Gauchar land. 30% extra price is charged on the market price or the company has to purchase and provide other land for the use of Gauchar in Gram Panchayat from where the Gauchar land is purchased.

6.3.2. Private Land

Land can also be purchased directly from the owner of the land parcel (*hereinafter referred to as Private Land*).

The private land can be either an Agricultural Land (land reserved for agricultural usage only) or Non-Agricultural land (land reserved for usage other than agriculture) which can be ascertained with its identification number (survey number).

- **Agricultural Land:**
In case the land purchased is an Agricultural land and is to be used for setting up of industries classified under bonafide industry, then the provision of Section- 63 / 63 – AA of Tenancy Act and Section 65/65 – B of L.R.C are applicable.
- **Non Agricultural (NA) Land:**
If the land is designated for other than agricultural use in the development plan of the authority, approval of lay-out plan in the light of zone from competent authority is a must.
- **Urban Development Authority:**
In case the land falls under the Urban Development Authority (UDA) limits, then before applying for NA permission, a Zoning Certificate (in case the land falls under any zone other than industrial zone) is required.

The procedure for application to the various departments that an investor needs to contact for obtaining the permissions mentioned above are set out in the table below:

Department	Permissions/Approvals
Urban Development Authority	1. Zoning / Zone Change (In case applicable) 2. Construction Permission The application forms are available with the respective Urban Development Authority. The contact details of each UDA is available at http://www.udd.gujarat.gov.in/udd/uda.htm (Detailed flow of request/application is given in Annexure A)

Note: For bonafide industries, the land to be purchased should not be within the urban agglomeration

6.3.3. Land in GIDC Estates

The investors can purchase land in industrial estate under the purview of Gujarat Industrial Development Corporation. GIDC operates and maintains industrial estates in various districts of Gujarat State. These estates are self-contained sanctuaries capable of sustaining a large number of industries within themselves. GIDC industrial estates are well equipped with essential infrastructure facilities like roads, drainage, power, water supply and street lights.

The procedure for application for the various permissions and approvals required for setting up an industrial unit in GIDC estate is set out in the table below:

Department	Permissions/Approvals
Gujarat Industrial Development Corporation (GIDC)	<ol style="list-style-type: none">1. Construction Permission The application forms are available with the Deputy Executive Engineer of the concerned GIDC estate.2. Water Connection The application forms are available with the Deputy Executive Engineer of the concerned GIDC estate.3. Drainage Connection The application forms are available with the Deputy Executive Engineer of the concerned GIDC estate. <p>The procedure and the application form for the purchase of land., water connection, drainage connection is available at http://www.gidc.gov.in/appliform.asp</p> <ol style="list-style-type: none">4. Power: Power can be obtained by applying to respective authorities (Refer section: Availability of Power Supply)5. Gas: Gas can be obtained by applying to respective authorities (Refer section: Availability of Gas Supply)

6.3.4. Approval required from Forest and Environment Department

Procedure for obtaining Forest Land:-

A) In case an Investor applies for Forest Land for the non -forest activity, following permissions are required along with an undertaking that the land being required is bare minimum parcel necessary for the project :-

- a) Formal Approval under Forest Conservation Act-1 from the Ministry of Forest and Environment, Government of India (on recommendation of the State Government) is needed for the possession of Forest Land.
- b) In case the land is reserved for Wild Life Sanctuaries or National Park then an approval under Forest Conservation Act- 2 from State Wild Life Board, National Wild Life Board and Supreme court is required for the possession of such land.

The procedure, checklist, application form, timeline for application is set out in the table below:

Department	Permissions/Approvals
Department of Environment and Forest	<ol style="list-style-type: none"> 1. Formal approval under Forest Conservation Act-1, from the Ministry of Forest and Environment. Application form is available at http://www.gujaratforest.gov.in/e-citizen/under_fca.htm 2. Approval under Forest Conservation Act -2, Application form available at http://www.gujaratforest.gov.in/e-citizen/under_fca.htm

B) Other approvals from Forest and Environment Department, Govt. of Gujarat

a) If the Investor needs lands under Coastal Regulation Zone (CRZ)

The projects which fall along the coast line region require CRZ clearances and the procedure, checklist, and timeline for the same is provided at the Forest and Environment department website of Govt. of Gujarat: <http://gujenvfor.gswan.gov.in/guidelines.htm>

b) Procedure for Environmental Clearance under the EIA Notification

The procedure for Environment Clearance and Public Hearing under the Forest and Environment Department can be obtained from the website: <http://gujenvfor.gswan.gov.in/guidelines.htm>

6.3.5. Process for obtaining Land under SEZ

An investor can purchase land parcel in an SEZ or Industrial Park. The concept of SEZ in India was introduced in Exim Policy 2000. Special economic zone (SEZ) is a specifically delineated, duty free enclave and shall be deemed to be foreign territory for the purpose of trade operations and duties and tariffs.

Benefits

- Internationally competitive and hassle free environment for export promotion.
- World class infrastructure standards and facilities in the form of power supply, airport, seaport, railways, roads and telecommunication.
- Access to social infrastructure-residential, recreational, health care and educational.
- Huge employment opportunities.
- Potential for earning foreign exchange.

Eligibility Criteria

- SEZ can be developed and managed in the private sector, jointly by the state government and a private party, or by the state government or its agency.
- SEZ shall not be less than 1000 hectares in size (except existing EPZs and product specific SEZs).
- SEZ and units therein will abide by local laws, rules and regulations.
- Only units approved under SEZ scheme will be permitted to be located in the SEZ.

More Details on SEZs applications and procedure can be obtained from The Industries

Commissionerate website: http://ic.gujarat.gov.in/promo-sch/sez_scheme.html
The list of the existing SEZ in the Gujarat state (as on March 17, 2008) can be referred in Annexure-B

6.4. Clearance from Gujarat Pollution Control Board (GPCB)

Any project covered under the Schedule of Environment Impact Assessment Notification - 2006 is required to obtain Environmental Clearance (EC). Also, any new industrial unit and unit with expansion proposal (for the units are not exempt from taking such permission) requires Consent to Establish (No objection certificate) from the Gujarat Pollution Control Board (GPCB). Consolidated Consent and Authorisation is also required from the GPCB before commencing production.

Environmental Impact Assessment (EIA) has now been made mandatory under the Environmental Protection Act, 1986 for 29 categories of development activities involving any investment of US\$12.20 million and above.

The following clearances are required from the Pollution Control Board for setting up industry in the State of Gujarat:

The Gujarat Pollution Control Board (GPCB) has exempted around 100 industries in small scale and cottage sector from obtaining NOC for the project.

The list of the exempted industries can be obtained from the Regional Offices of GPCB.

The projects falling in the listed industries segments (Small scale industry) can submit a copy of the list along with the project details to the financial institutions or obtain an exemption letter to this effect from GPCB.

6.4.1. Environment Clearance

Any project covered under the Schedule of Environment Impact Assessment Notification - 2006 is required to obtain Environmental Clearance (EC).

- a) An EIA (Environment Impact Assessment) report is prepared and submitted to the concerned authority:
 - i. Ministry of Environment and Forest (MoEF), in case the projects covered under Category A along with Form 1 application for Industrial projects and Form 1A for township and Infrastructure projects
 - ii. State Impact Assessment Committee(SIAC)-Secretary 8th floor, Block no14, Sachivalaya, Gandhinagar in case of Category B projects
- b) A public hearing of the EIA report is held, subsequent to which the Environmental Clearance is granted. Public hearing will be carried out in consultation with Gujarat Pollution Control Board (GPCB), Gandhinagar for which an application has to be made.

The EC is granted by MoEF for Category A projects and in case of Category B projects it is granted by State Environment Impact Assessment Authority (SEIAA).

6.4.2. Consent to Establish (CTE)

Application can be made to GPCB for CTE, if the project is not exempted as per the list of industries (mentioned in the GPCB website).

6.4.3. Consolidated Consent and Authorisation(CC&A)

CC&A is required to be obtained before the commencement of commercial production

activity, once EC and CTE is granted.
Procedure / Approvals required from GPCB are given in Annexure-C.

**Note: In case of EC and NOC it is not mandatory that the investor has land in possession for the above clearance and hence application for land, EC and NOC can be made simultaneously.*

6.5. Availability of Power Supply

Gujarat Urja Vikas Nigam Ltd. (GUVNL) was incorporated as a Government of Gujarat Company and it is basically a holding company after reformation of erstwhile Gujarat Electricity Board into seven companies.

Company Name	Website	Contact Address
Gujarat Urja Vikas Nigam Limited,	http://www.gseb.com	Gujarat Urja Vikas Nigam Limited Sardar Patel Vidyut Bhavan Race Course, Vadodara 390 007 Gujarat, India Phone: 91-265-2310582 / 83 /84 / 85/ 86 Fax: 91-265-2337918 / 2338164 E-mail: contactus@gegmail.com

In order to obtain Power in the State of Gujarat, the following four zonal offices(Distribution companies) can be contacted depending on the area of supply:-

1. Madhya Gujarat Vij Company Ltd. (MGVCL) – Distribution
2. Paschim Gujarat Vij Company Ltd. (PGVCL) - Distribution
3. Dakshin Gujarat Vij Company Ltd. (DGVCL) – Distribution
4. Uttar Gujarat Vij Company Ltd. (UGVCL) - Distribution

Details on application Form/Procedure/Checklist/Timeline for above given zonal offices can be obtained from the following website/office details:

Company Name	Website	Contact Address
Madhya Gujarat Vij Company Limited	http://www.mgvcl.com	Madhya Gujarat Vij Company Limited, Sardar Patel Vidyut Bhavan Race Course, Vadodara 390 007 Gujarat, India
Pashchim Gujarat Vij Company Limited	http://www.pgvcl.com/forms.htm	Pashchim Gujarat Vij Company Limited Laxminagar Nana Mava Main Road Rajkot - 360004 Phone : 91-281-2380425 / 2380427 Fax : 91-281-2380428 E-mail address: acewzr@gegmail.com
Dakshin Gujarat Vij Company Limited		Dakshin Gujarat Vij Company Limited, Near Kapodra Char Rasta, Nana Varachha Road, Surat, Ph+91-261-2804201

Uttar Gujarat Vij Company Limited	http://www.ugvcl.com/download/ht.php	Uttar Gujarat Vij Company Limited Mehsana -384001 Phone no : (02762) 222080-81 , Fax No.: (02762) 223574 E-mail : corporate@ugvcl.com
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Power requirement in GIDC estates

The allottee of the GIDC estate has to obtain a Requisition Form available at their respective zonal offices. For complete procedural details visit www.gidc.gov.in/obtpower.com

Power requirement in locations other than GIDC estates

Application for supply of power shall be made on the prescribed form available on respective zonal distribution company websites indicated above.

Captive Power Establishment

As per the Indian Electricity Act, 2003 any generating company may establish, operate and maintain a generating station without obtaining a license under this Act if it complies with the technical standards relating to connectivity with the grid referred to in clause (b) of section 73.

The detail for Open Access and procedure is available on :www.getcogujarat.com

Also the detailed guidelines are available on:

http://powermin.nic.in/JSP_SERVLETS/internal.jsp

For connectivity, the investor has to contact The Chief Engineer (GETCO), state transmission company.

Company Name	Website	Contact Address
Gujarat Energy Transmission Corporation Limited (GETCO)	For Act and Notification(Indian Electricity Act, 2003), please visit website: http://powermin.nic.in/ For more info on GETCO, please visit website: http://www.getcogujarat.com/	Gujarat Energy Transmission Corporation Limited (GETCO) Sardar Patel Vidyut Bhavan , Race Course Vadodara -390007 Gujarat (INDIA) Phone (O): (+91 265)2310582

6.6. Availability of Gas Supply

In order to avail Gas Supply, an Investor needs to apply to the various Gas distributors as listed, district wise, in the Annexure-D

In order to avail gas from Gujarat State Petroleum Corporation (GSPC), the Investor should apply as per the format prescribed in the website: www.gspcgroup.com along with the following information

- Project Plan
- Investment details
- Product and Process details
- Status of Statutory Approvals
- Land acquisition status
- Gas requirement

The application forms are available with the respective offices.

To avail Gas from any other private distributor, the Investor can contact the companies listed in Annexure-E

6.7. Arrangement of Water Supply for Industrial Purpose

6.8.1. To avail water supply for Industrial purpose in the State of Gujarat

The following departments at the state government level can be contacted to avail Water Supply for Industrial purpose.

1. Sardar Sarovar Narmada Nigam Limited (SSNNL)- The department can be contacted in case the Industrial Unit is located in proximity to the Narmada Canal
2. Irrigation Department- The department can be contacted for drawing water from Canals/Rivers and reservoirs other than Narmada Canal
3. Gujarat Water Infrastructure Limited (GWIL)- GWIL can also be contacted for the drawing water from the pipeline of GWIL.

For drawing water from SSNNL/Irrigation Department/GWIL, the application form can be downloaded from the web link:

<http://www.gwssb.org/pdf/Application%20for%h20demand%20of%20water.pdf>

Apart from the above sources, water for industrial usage is also provided by the following authorities:

1. Local Governing Bodies
 - The local governing body (Nagar palika, Municipality, Municipal Corporation) can be contacted for drawing surface water.
 - The application forms are available with the department.
2. For the usage of Ground water for Industrial purpose from the area falling under dark zone, over exploited area or saline area, the Investor has to apply to The Superintendent, from Gujarat , Water Resources Development Corporation(GWRDC).

The list of the dark zones, over exploited or saline areas across 57 talukas is given at web link: <http://www.gwrdc.gujarat.gov.in/gwremaps.htm>

The forms, checklist can be downloaded from web link:- <http://www.gwrdc.gujarat.gov.in/ho-15-06.pdf>

3. Desalination Plants- The business entity can also install a desalination plant to fulfill its water requirements.

6.7.2. In case of water supply for industrial purpose, within GIDC Estate

The application form for water can be collected from the Deputy Executive Engineer of the concerned estate

For further details visit www.gidc.gov.in

6.8. Approvals required from the Labour and Employment Department

6.8.1. Approvals required for Building/Factory Plans

6.8.1.1. In GIDC estates

Executive Engineer (GIDC) of the concerned region visit www.gidc.gov.in

6.8.1.2. Inside and Outside GIDC estates

The Director, Industrial Safety and Health is authorised to give approval of plans of the premises, equipment layout and process layout

The Director, Industrial Safety and Health is also responsible for registration of factory and grant of license.

For more details on the procedure and application flows please refer Annexure-F

6.8.2. Approvals required from Labour Department

The new entrepreneur has to fulfill following statutory/procedural formalities under various labour laws and the level of approvals varies with the stage and volume of employment.

- The minimum wages Act, 1949
- The Contract Labour (R&A) Act, 1970
- The payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Interstate Migrant workers Act, 1979
- Consolidated Annual Return Form is accepted in lieu of annual/half yearly returns under different labour laws
- Two registers are required to be maintained
- Self Certification-cum -Consolidated Annual Return Scheme

More details on procedure and forms can be obtained from the website of Labour Commissioner, under the section of 'Information for Citizen':
<http://www.labourandemployment.gov.in/LC/labourwing/informstionforcitizen.htm>

6.9. Approvals required from Commercial Tax Department

6.9.1. Value Added Tax (VAT) Registration

The VAT registration is required under The VAT Act, 2003

The company is necessarily required to make the registration, if the total turnover during the year immediately preceding (or current year) on the appointed day exceeds US\$12195 million and whose taxable turnover exceeds US\$244 million in a year.

Also there is a provision, wherein a voluntary deposit of US\$610 million is to be made and which can be adjusted against tax liability.

There is no form fee or processing fees applicable for such registrations. Application can be made to the respective area officer in whose jurisdiction, the chief place of business falls.

Application form (Form 101 & its annexure) is required to be filled for the registration and online registration can be made at the website given below:

<http://commercialtax.gujarat.gov.in/vatwebsite/index.jsp>

List of documents required to be submitted along with the application form, can be obtained from the website under the section (VAT Rules, Refer Rule 12)

<http://commercialtax.gujarat.gov.in/vatwebsite/index.jsp>

6.9.2. Central Sales Tax (CST) registration

The CST registration is required under The CST Act, 1956

Any new business entity is required to make the CST registration, if the total turnover during the year immediately preceding(or current) on the appointed day exceeds US\$12195 and whose taxable turnover exceeds US\$244 in a year.

Also there is a provision, wherein a voluntary deposit of US\$610 can be made and the same can be adjusted against tax liability.

There is no form fee or processing fees applicable for such registrations

The person can apply to the respective area officer in whose jurisdiction, the chief place of business falls

Application form (Form A) is required to be filled for the registration and online registration can be made at the website:

<http://commercialtax.gujarat.gov.in/vatwebsite/index.jsp>

The list of documents submitted is same as those required for VAT Registration.

6.10. Approvals required from the Department of Geology and Mining,

The main functions of the department includes:-

- Mineral Exploration
- Analysis and Study of Mineral / Rock Samples
- Mineral Administration and Development
- Flying Squad and Appeal

Procedure for obtaining Mining Lease can be referred in Annexure-G.

Details on the procedure and application form can be obtained from the website of

The Commissioner of Geology and Mining, under the section "Provision for Lease" on:
<http://geomining.gujarat.gov.in/>

6.11. Other Approvals

Certain approvals that need to be taken for specific projects after the unit is set up, are given below:

Applicability	Authority
Boiler registration	Chief Inspectorate, Steam and Boiler Government of Gujarat Block No 9 New Mental Hospital Compound Meghaninagar Ahmedabad – 380016
Handling of hazardous items	Director of Industrial Safety and Health, Government of Gujarat
Storage of explosive materials	Directorate of Explosives Government of India Shradha Complex, RV Desai Road, Navapura Vadodara – 390 001 Gujarat
Customs bonding for 100% EoUs located outside SEZ	Collector of Customs & Central Excise Government of India Nr All India Radio, Income Tax Circle Ahmedabad – 380014 Gujarat
Quality Certification	Bureau of Indian Standards 3 rd Floor, Pushpak Building, Khanpur Ahmedabad – 380 001 Gujarat

6.12. Sector Specific approvals

Apart from the above mentioned approvals, certain approvals need to be taken for specific projects:

Applicability	Authority
Food and Drug manufacturing units	Commissionerate of Food & Drug Administration Government of Gujarat Block No 8, I Floor Dr Jivaraj Mehta Bhavan
Registration for milk products	Milk and Milk Products Board, New Delhi India
Project located within a distance of 500 meters from the coastline	Gujarat Maritime Board Government of Gujarat, Sector-10 A, Opposite Air Force Center Nr New Sachivalaya, Gandhinagar -382010

6.13. Single Window Assistance for Setting up Project

Industrial Extension Bureau (iNDEXTb) serves as a **single point contact** for all industrial investment related activities in Gujarat. It is a premier investment promotion agency of the Government of Gujarat. The agency also assists investors in complying with the above formalities required to set up a project.

7. INVESTMENT OPPORTUNITIES

The following are the list of business opportunities across various sectors which may be considered for investment in line with the nature and strength of Gujarat's economy.

7.1. Agro and Food Processing

1. Banana Pack House
2. Tomato Processing
3. Baker's Yeast
4. Organic Milk and Milk Products
5. Castor Oil Derivatives – Perfumery Raw Materials
6. Enzymes for Food Processing Industries
7. Medicinal Herbs Extraction Unit
8. Peanut Butter Manufacturing Unit
9. Potato Processing for Powder and Flakes
10. De-hulled and Roasted Sesame Seed Oil Processing Unit
11. Refined Sugar Manufacturing Unit
12. Banana Fiber Processing and Textile Unit
13. Onion Cold Storage
14. Egg Powder
15. Natural Food Colors – Marigold, Annatto
16. Spices Cryo-grinding unit - Cumin, Turmeric, Chilly
17. Shrimp Farming and Processing unit in Kutchh
18. Food Park- Commodity Specific Cluster Development
19. Terminal Markets at Ahmedabad and Surat
20. Guar Gum Powder for Pharmaceutical, Cosmetics and Food Industry
21. Grain Storage Silos with Mechanized Handling System– Port-based
22. Potato Processing - Fabricated Potato chips
23. Bio-pesticides – Neem and Tobacco seed oil base
24. Ice Cream Balls – IFT Plant
25. Fish meal based Fertilizer unit
26. Roasted, Salted and Coated Nuts
27. Fish Oil Extraction unit
28. Vegetable Pack house
29. Ice Plant and Fish Freezing Plant
30. Bagasse base high efficiency Co-generation power plant
31. Spices and Isabgul irradiation centre – Unjha
32. Molasses Based Fuel Ethanol (Bio-Fuel) Plant

7.2. Engineering and Auto

1. High Pressure Cylinders for CNG auto kits and industrial applications
2. Investment Casting Project
3. CNC Machine Tools and SPM Manufacturing Unit
4. Plastic Injection Moulding Machines Manufacturing Unit
5. Submerged Arc Welded (SAW) Pipes
6. Automobile Assembly Unit
7. Forged Auto Components
8. Auto Components (OEM Supply)
9. Bearing Manufacturing Unit
10. Beneficiation of Clay
11. Cement Plant
12. Ready Mix Concrete for Construction
13. Speciality Glass
14. Thermal Tiles

7.3. Textiles and Apparel

1. Integrated Non-woven Spunbond Complex
2. Manufacture of Protective Fabrics
3. Manufacture of Woven Geogrids
4. Manufacture of Taffeta Fabric
5. Manufacture of Crop Shade Fabric
6. Conversion Activity for Non-woven Healthcare Disposables
7. Manufacture of Webbing for Seat Belts
8. Manufacture of Coated Fabric
9. 100% Cotton Integrated Textile and Apparel Complex
10. 100% Cotton Based Spinning Unit with Natural Gas based Power Plant

7.4. Chemicals and Petrochemicals

1. Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) at Dahej.
2. Methanol
3. Propylene Oxide and Propylene Glycol
4. Cumene
5. Phenyl-Acetone
6. Nitrobenzene / Aniline
7. Diphenylmethane diisocyanate (MDI) and Toluene diisocyanate (TDI)
8. Polyvinyl Chloride (PVC)
9. ABS Resin
10. Polycarbonate
11. Polyethylene Terephthalate (PET) Chips
12. Styrene Butadiene Rubber (SBR)
13. Bi-Axially Oriented Polypropylene (BOPP) Films
14. BOPET Films
15. Polyethylene (PE) Multi Layer Film Project
16. Polyolefins Compounding and Masterbatches
17. Polypropylene (PP) Ropes
18. Fibers and Filaments
19. Plastic Crates
20. Bisphenol-A
21. Mono-Chloro Acetic Acid (MCA)
22. Bromine
23. Titanium Dioxide
24. Chlorosilanes
25. Synthetic- Zeolites
26. Acetic acid
27. Formic Acid

7.5. Pharmaceuticals

1. Manufacturing of Ayurvedic Tablets / Capsules / Oral – Liquids and Preparations
2. Manufacturing of Hormones Tablets
3. Manufacturing of Active Pharmaceutical Ingredients (Bulk Drugs)
4. Manufacturing of Small Volume Parenterals (Vials) by Lyophilization Method
5. Manufacturing of Vaccines from Bacteria and Viruses
6. Manufacturing of Small Volume Parenterals - Ampoules and Vials
7. Contract Research and Manufacturing Services (CRAMS)
8. Manufacturing of Large Volume Parenterals

7.6. Ports

1. Greenfield Port at Simar
2. Greenfield Port at Mithivirdi
3. Greenfield Port at Vansi Borsi
4. Greenfield Port at Bedi

5. Greenfield Port at Maroli
6. Ro-Ro Ferry Service
7. Ship Building / Ship Repairing Yard
8. Dholera Port – Opportunities for development of port related services / supporting infrastructure
9. Development of New Sites – Khambhat, Mahuva and Sutrapada
10. SPV for Dredging Alongside Gujarat Coast
11. Establishment of Vessel Traffic and Port Management System (VTPMS) in the Gulf of Khambhat
12. Establishment of Bunker Terminal for Bunkering Services at Gujarat Ports
13. New Port Facilities at Dahej

7.7. Power

1. 1000 MW Coal based Power Plant near Chhara Sarkhadi, Kodinar, District Amreli.
2. 1000 MW Coal based Power Plant at Simar, District Junagadh.
3. 1000 MW Coal based Power Plant near Pipavav, Amreli.
4. 1000 MW LNG / Coal based Power Plant at Vansi Borsi, Surat district
5. 1000 MW Coal / LNG based Power Plant at Dahej, Bharuch district
6. 1000 MW Coal based Power Plant near Veera / Sangat, Kandla.
7. Setting up Liquefied Natural Gas (LNG) terminal at Pipavav / Mundra in Saurashtra / Kutchh region of Gujarat
8. Drilling Rigs Services (DRS)
9. Setting up upstream Special Economic Zone (SEZ) services facilities at Pipavav.
10. 350 MW Expansion of Gas based power station at Mora.
11. Setting up of LNG Shipping Company
12. Setting up of Compressed Natural Gas (CNG) refueling Stations across Gujarat
13. 700 MW Gas based power station at Pipavav, Amreli

7.8. Gems and Jewellery

1. Assaying and Hallmarking Centre
2. Gold Refinery
3. Jewellery Artisan Training Centre
4. Development of Diamond Park at Bhavnagar
5. Diamond Processing Centre

7.9. Healthcare

1. Take over of District Hospitals of Gujarat
2. Takeover of Primary Health Centres (PHCs) and Community Health
3. Centres (CHCs) of Gujarat
4. Medicity (Medical City in Gujarat)
5. Bio Medical Waste Management

7.10. Biotechnology

1. Manufacturing Unit for Human Diagnostic Kits
2. Manufacturing Unit for Monoclonal Antibodies (mAb)
3. Manufacturing Unit for Plant Diagnostic Kits
4. Manufacturing Unit for Biopesticides
5. Manufacturing of Biofertilizers
6. Biopolymer Manufacturing
7. Manufacturing of Industrial Biocatalysts
8. Bioremediation
9. Human Vaccines Manufacturing Unit
10. Veterinary Vaccines Manufacturing Unit
11. Ethanol Manufacturing Unit
12. Aquaculture
13. Bionutraceuticals

14. Marine Resources for New Molecules
15. Enzymes from Marine Sources

7.11. Information Technology

1. Smart Card Manufacturing Facility
2. Embedded Software Design and Development
3. Gaming Development Centre
4. RFID Tags
5. Animation Development Centre
6. Wireless Handset Manufacturing Unit
7. KPO units for Knowledge Management
8. Bio Informatics
9. BPO Units for different segments
10. Knowledge City

7.12. Urban Development

1. Metro Rail for Ahmedabad and Gandhinagar
2. Bus Rapid Transit System – Ahmedabad
3. Canal based Mass Transit Corridor – Surat
4. Municipal Solid Waste Management in Gujarat
5. Improvement of Water Supply and Sewerage Systems at Anand town
6. Improvement of Water Supply and Sewerage Systems at Amreli town
7. Improvement of Water Supply and Sewerage Systems at Bharuch town
8. Improvement of Water Supply and Sewerage Systems at Mehsana town
9. Water Desalination Project
10. Land Bank in Gujarat
11. Slum Relocation at Surat
12. Urban Infrastructure projects in Ahmedabad, Rajkot, Surat and Vadodara

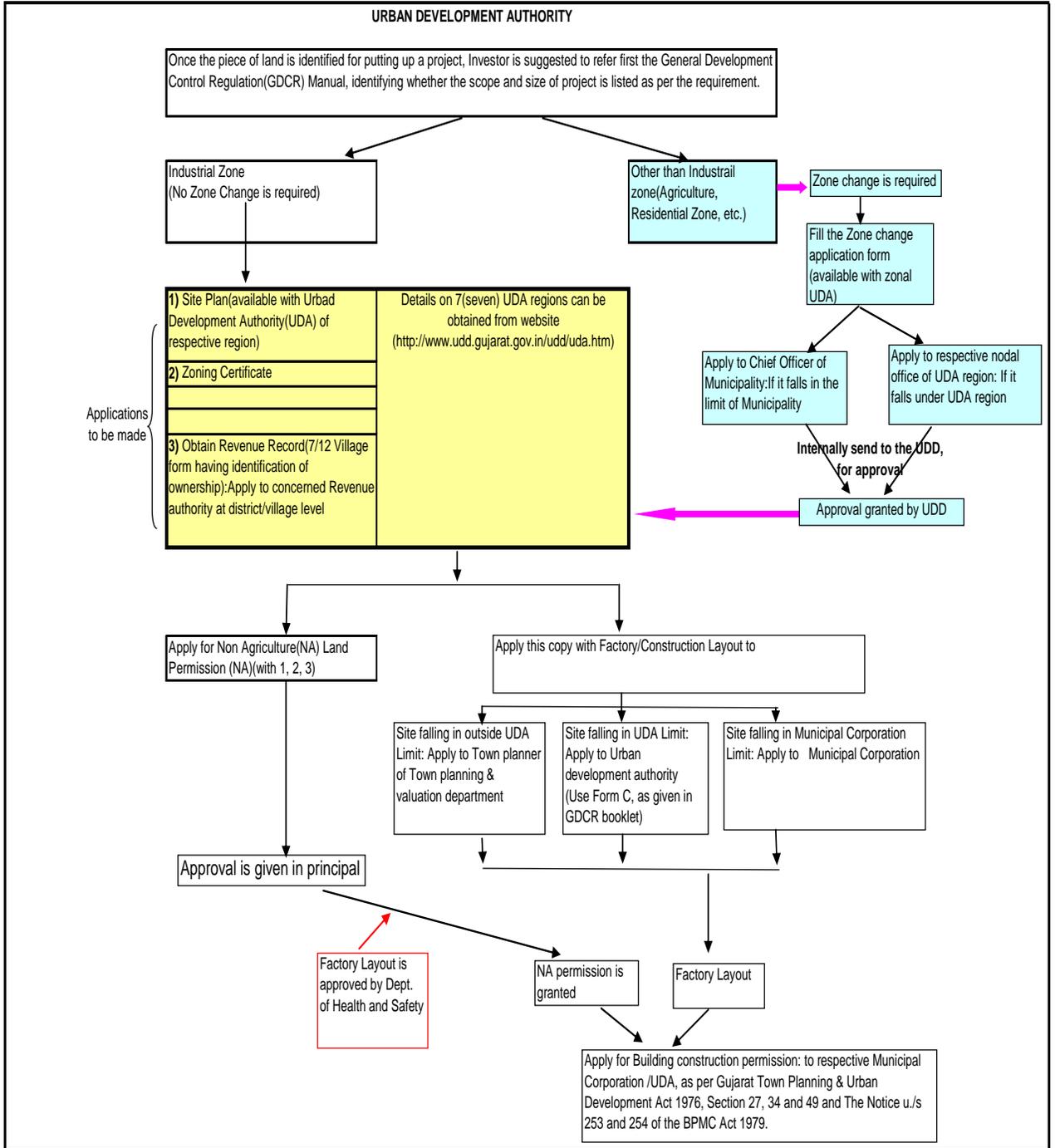
7.13. Tourism

1. Star Category hotel at Valsad, Vapi, Rajkot, Saputara, Bhavnagar, Veraval/Somnath, Palitana, Kutch, Ahmedabad, Vadodara, Champaner (Pavagadh), Surat, Jamnagar and Porbandar
2. Aero Sports at Saputara and Pavagadh
3. Amusement Park at Saputara, Junagadh, Bhavnagar, Porbander, Valsad, Navsari, Rajkot, Jamnagar, Champaner (Pavagadh), Bharuch/ Ankleshwar.
4. Apartment Hotel at Ahmedabad, Vadodara, Champaner (Pavagadh), Mandvi (Kutch), Pingleswar (Kutch) and Surat.
5. Beach Water Sports at Ubharat, Dwarka, / Beyt Dwarka, Ahmedpur Mandvi, Tit
6. Chain of Motel and Cottages at Coastal belt of Porbandar and Jamnagar district.
7. Resorts (Accommodation) at Dwarka, Sasan, Porbandar, Mandvi (Kutch), Tithal, Harshad Mata, Champaner(Pavagadh), Chorwad, Mahuva, Kuda and Katpar.
8. Chain of Restaurants and Cafeterias on National and State Highways touching Ahmedabad, Vadodara, Champaner (Pavagadh), Bharuch, Surat, Valsad, Godhra, Himmatnagar, Khedbrahma, Mehsana, Palanpur, Viramgam, Limbdi, Upleta, Rajkot, Jamnagar, Randhanpur, Rapar, Bhachau, Nakhatrana, Khambhaliya, Porbandar, Mangrol, Kodinar, Bhavnagar, Amreli and Junagadh.

9. Sound and Light Shows at Bhavnagar, Modhera, Sidhpur, Idar, Pavagadh, Adalaj, Vadodara, Dandi, Ranpur, Rajkot, Jamnagar, Dholavira and Lothal.
10. Star Category hotel at Valsad, Vapi, Rajkot, Saputara, Bhavnagar, Veraval/Somnath, Palitana, Kutch, Ahmedabad, Vadodara, Champaner (Pavagadh), Surat, Jamnagar and Porbandar.
11. Water sporting activities in inland lakes and ponds at Sardar Sarovar and Saputara

Annexure A

Urban Development Authority



Annexure B

Special Economic Zones in Gujarat as on 30/04/2008

Sr No	Developer	Location	Sector & Area recommend ed by GoG (in hectares).	Status of approval by Gol
1.	KANDLA SEZ Office of Development Commissioner Ministry of Commerce & Industry Gandhidham, Kutch	Gandhidham Kutch	- Multi-product - 280 hec + - (120 hec for expansion)	Operation SEZ prior to SEZ Act.
2.	SURSEZ Diamond & Gem Dev Corporation. Sachin, Surat-394230	Sachin Surat	- Multi-product - 49.90 hec	Operation SEZ prior to SEZ Act.
3.	SURAT APPAREL PARK Gujarat Industrial Dev. Corporation Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Vanj, Surat	- Apparel - 56.64 hec	Operation SEZ prior to SEZ Act.
4.	DAHEJ SEZ Dahej SEZ Limited C/O GIDC Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Dahej Bharuch	- Multi-product - 1812 hec	Notified and operational in area of 1718-93-87 hectares vide notification No: 2131(E) dated 20/12/06.
5.	ELECTRONIC SEZ Gujarat Industrial Dev. Corpn Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Gandhinagar	- Electronics - 37.85 hec	Notified and operational in area of 28 hectares vide notification dated 13/12/06.
6.	AHMEDABAD APPREAL PARK Gujarat Industrial Dev. Corpn Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Ahmedabad	- Apparel - 38 hec	Notified and operational in area of 38-04-13 hectares vide notification No: 543(E) dated 10/04/07.
7.	PHARMEZ Zydus Infrastructure Pvt. Ltd. Zydus Tower, Satellite Road, Ahmedabad-380015	Ahmedabad	- Pharma - 48.83 hec	Notified and operational in area of 48-43-00 hectares vide notification No: 1630(E) dated 28/9/06
8.	RELIANCE SEZ Reliance Infrastructure Limited "Vraj" Near Chandanbala Apt Opp. HDFC Bank, Paldi, Ahmedabad-380007	Jamnagar	- Multi-product - 4494 hec	Notified in area of 1764.137 hectares vide notification No: 568(E) dated 19/4/06 & 558(E) dated

				4/06/2007
9.	Mundra Port and SEZ Ltd (Earlier GAPL) Adani House, Mithakhali, Ahmedabad-380009	Mundra Kutch	- Multi-product - 3110.94 hec	Notified in area of 2648-19-00 hectares vide notification No: 936(E) dated 23/6/06 & 3/07/06
10.	Essar SEZ Hazira Limited Essar House, Near Gujarat College. Ellishbridge, Ahmedabad	Hazira Surat	- Engineering - 267 hec	Notified in area of 247-52-22 hectares vide notification No: 1628(E) dated 28/9/06
11.	Adani Power Private Limited, " Shikhar" Building, Near Adani House, Mithakhali Circle, Navrangpura, Ahmedabad:	Tunda & Siracha Kutch	- Power - 293 hec	Notified in area of 293-88-10 hectares vide notification No: 742(E) dated 10/05/07.
12.	Ganesh Infrastructure Pvt. Ltd 1 st floor, "Samundra" Near Classic Gold Hotel, Off C.G.Road, Navarangpura, Ahmedabad: 380006	Chharodi Ahmedabad	- IT/ITES - 54 hec	Notified in area of 32- 71-23 hectares vide notification dated 22/06/07.
13.	Suzlon Infrastructure Limited, "Suzlon", 5 - Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad:	Vaghodia Vadodara	- Engineering - 101 hec	Notified in area of 100-99-00 hectares vide notification dated 3/07/07.
14.	Gujarat Hira Bourse, 508, Belgium Tower, Opp. Linear Bus Stand, Ring Road, Surat-395002	Ichhapor Surat	- Gems & Jewellery - 74 hec	Notified in area of 73- 87-97 hectares vide notification dated 20/07/07.
15.	Welspun Anjar SEZ Ltd Trade World, ' B ' Winf, 9 th floor Kamala Mills Compound Senapati Bapat Marg Lower Parel, Mumbai-400013	Anjar Kutch	-Textile & Garments - 284 hec	Notified in area of 109-59-07 hectares vide Notification dated 17/09/07
16.	CPL Infrastructure Pvt. Ltd. Cadila Corporate Campus, Sarkhej – Dholka Road, Bhat, Ahmedabad- 382210	Haripura Ahmedabad	- Pharma - 200 hec	Notified in area of 122-30-61 hectares vide notification dated 24/12/07
17.	E Complex Private Limited 905/906 Sakar II, Ellisbridge Corner, Ellisbridge, Ahmedabad – 380006	Rampara & Lunsapur Ta: Rajula & Jafrabad Amreli	- Engineering - 156 hec	Notified in area of 124-11-99 hectares vide notification dated 2/01/08
18.	Sterling Biotech Ltd, Sandesara Estate. Padra Road, Atladra, Vadodara: 390012.	Jambusar Bharuch	- Multi-product - 3380 hec	Notified in area of 1263-17-00 hectares vide notification dated 9/01/08
19.	City Gold Realtirs Pvt. Ltd. 2 nd floor, Sarthik Annexe,	Sanathal Ahmedabad	- IT / ITES - 10-72 hec	Notified in area of 10- 51-46 hectares vide

	Near Fun Republic, Satellite Road, Ahmedabad: 380015			notification dated 9/01/08
20.	Jubilant Infrastructure Ltd I-A, Sector 16-A, Industrial Area Noida-201301, UP. India	Vilayat Bharuch	- Chemicals - 160 hec	Notified in area of 107-16-50 hectares vide notification dated 11/02/2008.
21.	N. G. Realty Pvt. Ltd. Astron Tech Park, 10 th floor, S.G.Road, Satellite, Ahmedabad-380015	Ahmedabad	- Industrial Machinery & Ancillary - 230 hec	Notified in area of 105-56-02 hectares vide notification dated 3/03/08
22.	Mundra SEZ Ltd. Adani House, Mithakhali, Ahmedabad-380009	Mundra, Kutch	- Multi- product - 1081 hec	Notified in an area of 1074-17-55 hectares
23.	DLF Ltd 9 th floor, DLF Centre, Sansad Marg, New Delhi- 110001	Near Info City Gandhinagar	- IT/ITES - 10 hec	Notified in an area of 10 hectares on 9/06/2008
24.	Jayant Oil & Derivatives Limited 13, Sitafal Wadi, Dr. Mascarebhas Road, Mazgaon, Mumbai: 4000010	Vilayat Bharuch	- Chemicals (Agro based) - 106 hec	Notified in an area of 106 hectares
25.	Essar SEZ Jamnagar Limited Essar House, Near Gujarat College. Ellishbridge, Ahmedabad	Jamnagar	- Multi- product - 1125 hec	Formal Approval in an area of 1125 hectares
26.	CERAMIC SEZ Gujarat Industrial Dev. Corpn Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Jhagadia Bharuch	- Ceramic & Glass - 197 hec	Formal Approval in an area of 170.7 hectares
27.	Aqualine Properties Private Limited Construction House 'A', 24 th Road, Khar (West), Mumbai: 400052	Koba Gandhinagar	- IT/ITES - 27.85 hec	Formal Approval in an area of 27.85 hectares on 1/12/1006
28.	Calica Construction & Impex Pvt Ltd. "Mansi" Complex, Ground floor, Sardar Patel Crossing, Usmanpura, Ahmedabad: 380014	Oganaj Ahmedabad	- IT/ITES - 16 hec	Formal Approval in an area of 10.44.16 hectares (Khoraj- Gandhinagar) on 6/11/2006.
29.	Kandla Port Trust, Gandhidham	Kandla Kutch	- Port based Multi- Product - 5000 Hec	Formal Approval in an area of 640 hectares (Yet to be placed before the Authority)
30.	Shivganga Real Estate Holders Pvt.	Sargasan	- IT / ITES	Formal Approval in

	Ltd. 2 nd floor, Sarthik Annexe, Near Fun Republic, Satellite Road, Ahmedabad: 380015	Gandhinagar	- 52-60 hec	an area of 52.606 hectares on 19/06/1007
31.	Adani Township & Real Estate Co. Pvt. Ltd. "Ashima House" B/h M. J. Library, Elish bridge, Ahmedabad: 380006	Dantali Ahmedabad	- IT / ITES - 20 hec	Formal Approval in an area of 20 hectares
32.	BIOTECH SAVLI SEZ Gujarat Industrial Dev. Corpn. Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Savli Vadodara	- Biotech - 14.73 hec	Formal Approval in an area of 14.73 hectares
33.	(GGDCL) Gujarat Industrial Dev. Corpn. Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Moti Chirai Kutch	- Handicraft & Artisan - 131.59 hec	Formal Approval in an area of 131.59.62 hectares
34.	Nipiam Infotech Pvt Ltd 718, 7 th floor, Lalita Tower, Jetalpur Road, Nr Rajpath Hotel, Vadodara	Nimeta Ta: Waghodia Vadodara	- IT/ ITES - 220 Hec	Formal Approval in an area of 220 hectares
35.	Gujarat Finance City Development Company Limited B wing, 2nd floor, Gujarat State Civil Supply Corp. Building , Sector 10A, CH road, Gandhinagar 382 010	Ratanpur and Phirojpur, Gandhinagar,	- Multi services - 100 hac	Formal Approval in an area of 100 hectares
36.	Asia Pacific Corpn Ltd 17-A Mehta Estate, 1st floor, Chakala, Andheri-Kurla Road, Andheri (East), Mumbai: 400093	Bhimsar, Taluka: Anjar, Kutch,	- Polymer based - 120 hec	Formal Approval in an area of 101.17 hectares
37.	TATA SEZ Tata Consultancy Services Ltd Bombay House 24, Sir Hoi Modi Street, Mumbai: 400001	Near Infocity Gandhinagar	- IT / ITES - 10.31 hec	Formal Approval in an area of 10.117 hectares On 17/12/2007.
38.	IT / ITES SEZ Gujarat Industrial Dev. Corpn. Block No: 3&4, 2 nd floor, Udyog Bhavan, Gandhinagar	Near infocity S.G.Highway Gandhinagar	- IT / ITES - 22.70 hec	Formal approval in an area of 22.27 hectares
39.	DISHMAN PHARMA SEZ Dishman Infrastructure Limited Bhara-Raj Chambers, Swastik Cross Road, Navarangpura. Ahmedabad	Ahmedabad	- Pharma - 164.415 hec	Formal Approval in an area of 164.415 hectares

40.	DISHMAN ENGI SEZ Dishman Infrastructure Ltd Bhara-Raj Chambers, Swastik Cross Road, Navarangpura, Ahmedabad	Ahmedabad	- Engineering - 133.86 hec	Formal Approval in an area of 133.86 hectares
41.	JB SEZ J.B.Chemicals & Pharmaceuticals Ltd Plot No: 215-216, GIDC Industrial Area, Panoli: 394116, District: Bharuch	Panoli Bharuch	- Pharma - 130 hec	Formal Approval
42.	ESSAR POWER SEZ Essar Suvali SEZ Limited Essar House, Near Gujarat College. Ellishbridge, Ahmedabad	Suvali Surat	- Power - 180 Hec	In-principle Approval in an area of 180 hectares
43.	JUBILANT PHARMA SEZ Jubilant Infrastructure Ltd I-A, Sector 16-A, Industrial Area Noida-201301, UP. India	Vilayat Bharuch	- Pharma - 200 hec	In-principle Approval in an area of 160 hectares
44.	DHOLERA SEZ Adani Exports Ltd. Adani House, Mithakhali, Ahmedabad	Dholera Ahmedabad	- Multi- product - 1000 hec	In-principle Approval in an area of 1000 hectares
45.	RUCHI FLAT STEEL SEZ Indian Steel Corporation Ltd 503, Mahakosh House, 7/5 South Tukoganj, Indore: 452001	Bhimasar Kutch	- Flat Steel - 164.80 hec	In-principle Approval in an area of 101 hectares
46.	PSL Limited "PSL Tower", 615 Makwana Road, Marol, Andheri (East), Mumbai: 400059	Ramparall (Pipavav) Amreli	- Alternative Energy & Ancillaries - 105.67 hec	In-principle Approval in an area of 105.67 hectares
47.	Indian Infrastructure Corpn Ltd 170/10, Film Colony, R.N.T. Marg, Indore: 452001 (MP)	Anjar Kutch	- Multi- product - 1011.71 hec	In-principle Approval in an area of 1011.71 hectares
48.	Gujarat Hydrocarbon and Energy SEZ Ltd. Assam Company Limited, 52, Chowringhee Road, Kolkata – 700071	Vilayat Bharuch	- Hydrocarbon - 450 Hec	In-principle Approval in an area of 450 hectares
49.	Welspun Anjar SEZ Ltd. Welspun City, P. O. Varshamedi, Taluka: Anjar, Kutch.	Varshamedi, Ta: Anjar, Kutch,	- Engineering - 121 hec	In-principle Approval in an area of 121 hectares

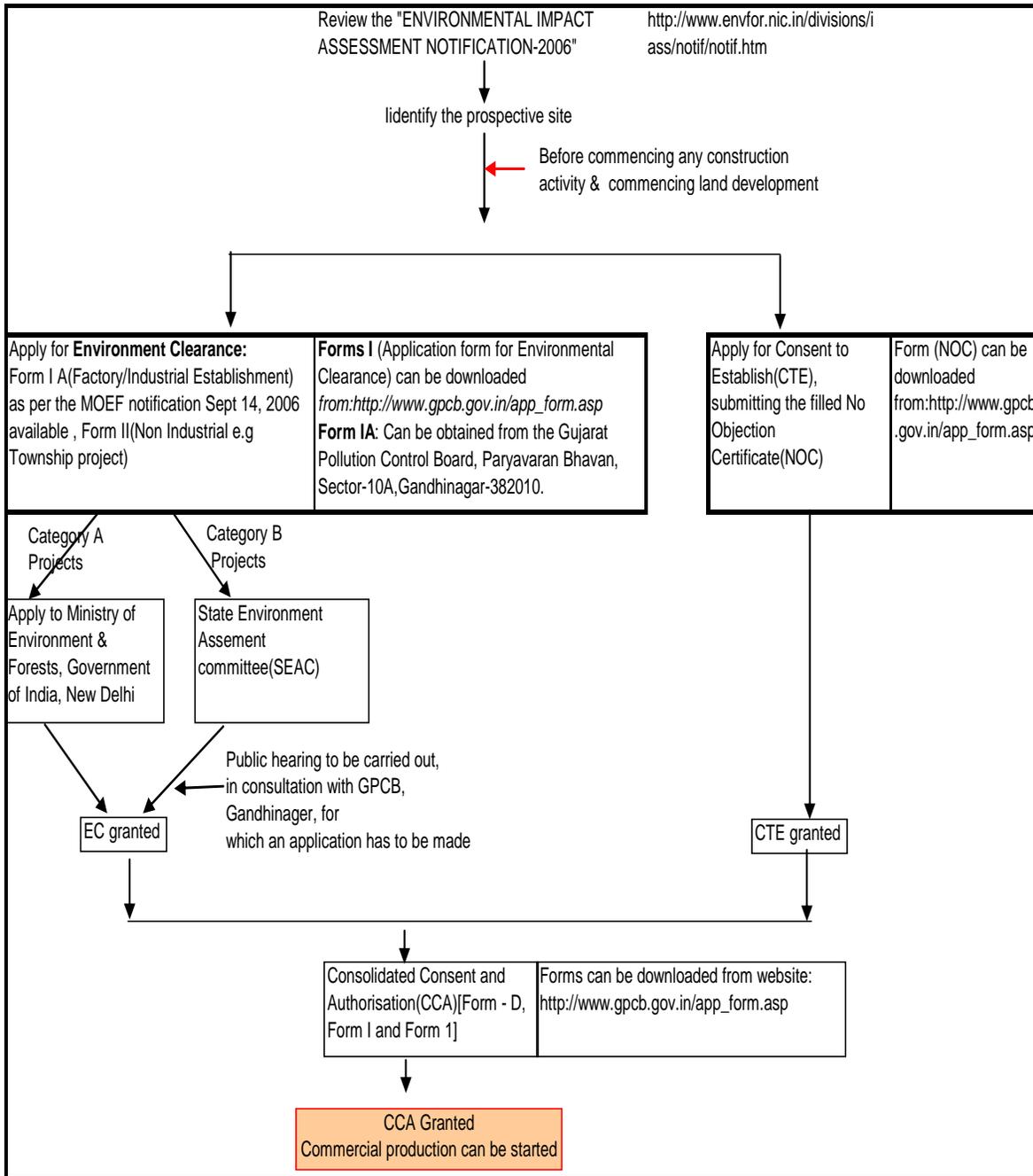
50.	LMJ Warehousing Pvt Ltd LMJ House, 9-Hanuman Road, CP, New Delhi- 110001	Kandla, Kutch	- FTWZ - 40 hec	In-principle Approval in an area of 40 hectares
51.	Jindal worldwide Limited Suryarath, 1 st floor, Panchwati, Ahmedabad: 380006	Bhamasara Ta: Bavla Ahmedabad	- Textile - 101 hec	In-principle Approval in an area of 101.17 hectares
52.	L&T SEZ	Ankhol Tauka: Vadodara, District: Vadodara	-IT/ITES -14.88 hec	Notified
53.	SGV Infrastructure Private Ltd.	Makarba Tauka: Ahmedabad District: Ahmedabad	-IT/ITES -24 hec	In – Principal Approval

SEZs in Gujarat approved by the MoCI, New Delhi as on 30/04/2008

	Status of various approval accorded by Gol	Total
•	Functional SEZs.	3
•	Notified and Functional	4
•	Notified SEZs.	17
•	Formal approval to SEZs.	17
•	In-principle approval to SEZs.	12
	Total	53

Annexure C

Procedure/Approval required from Gujarat Pollution Control Board(GPCB) is given in below flowchart



Annexure D

List of Gas Distributors

S. No.	District (Major Urban/ Industrial Areas)	For Gas requirement upto 50,000 scmd	For Gas requirement above 50,000 scmd
1	Valsad (Vapi)	GSPC Gas Co. Ltd.	GSPCL / GAIL
2	Navsari	GSPC Gas Co. Ltd.	
3	Surat	Gujarat Gas Co. Ltd.	
4	Bharuch	GAIL (India) Ltd.	
5	Vadodara	Adani Energy Ltd.	
6	Anand	Charotar Gas Sahakari Mandali Ltd.	
7	Kheda	GSPC Gas Co. Ltd.	
8	Ahmedabad	Adani Energy Ltd.	
9	Gandhinagar	GSPC Gas Co. Ltd.	
10	Mehsana	GAIL / Sabarmati Gas Ltd.	
11	Sabarkantha (Himmatnagar)	GAIL / Sabarmati Gas Ltd.	
12	Surendranagar (Thangadh)	GSPC Gas Co. Ltd.	
13	Rajkot	GSPC Gas Co. Ltd.	
14	Narmada (Rajpipla)	GSPC Gas Co. Ltd.	
15	Panchmahal (Halol / Kalol)	GSPC Gas Co. Ltd.	
16	Amreli	GSPC Gas Co. Ltd.	
17	Jamnagar	GSPC Gas Co. Ltd.	
18	Bhavnagar	GSPC Gas Co. Ltd.	
19	Dahod	GSPC Gas Co. Ltd.	
20	Banaskantha (Palanpur)	GSPC Gas Co. Ltd.	
21	Patan	GSPC Gas Co. Ltd.	
22	Junagadh	GSPC Gas Co. Ltd.	
23	Porbandar	GSPC Gas Co. Ltd.	
24	Kutch	GSPC Gas Co. Ltd.	
25	Dang	GSPC Gas Co. Ltd.	
26	Vyara	GSPC Gas Co. Ltd.	

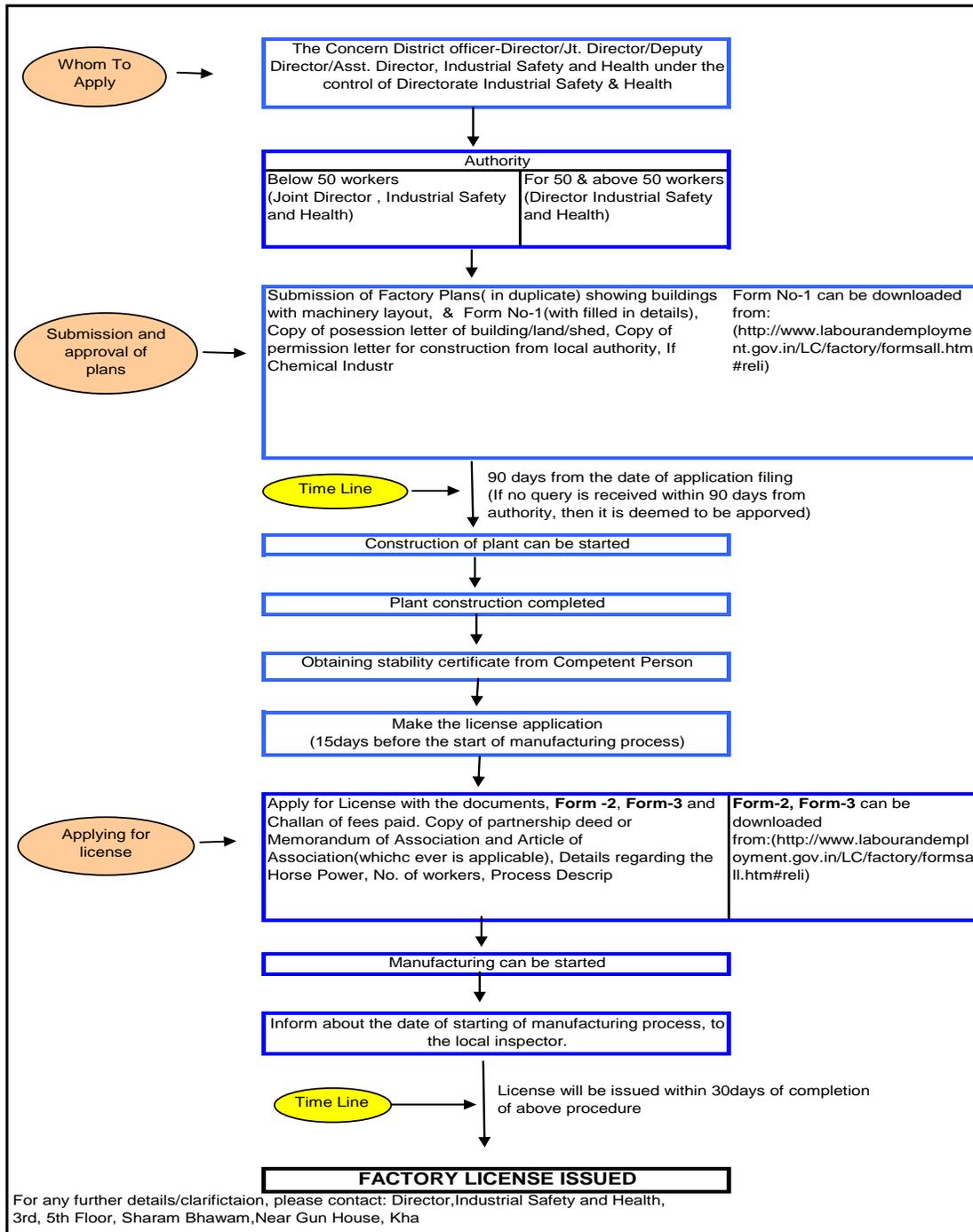
Annexure E

Private Gas Distributors

Name	Contact Person	Telephone Number	Fax Number
Gujarat State Petroleum Corporation Ltd.	Mr. Ravindra Agarwal, DGM- Commercial 5th Floor, GSPC Bhavan Sector- 11 Gandhinagar-382011	079 66701502	
Sabarmati Gas Ltd.	Mr. Y.P. Tripathi Chief Manager Plot No. 277, 1st Floor Opp. Khand Bhavan Gandhinagar-382016	079 23249075	
GSPC Gas Company Ltd.	Mr. Dipen Chauhan Manager - Commercial Block No. 2, Second Floor Udyog Bhavan, Sector- 11 Gandhinagar-382011	079 23237576	
Adani Energy Ltd.	Mr. Biren Patel Sr. Manager- Commercial 8th Floor, Heritage Building B/H Visanagar Nagarik Sahakari Bank Ltd. Near Gujarat Vidyanath, Ashram Road Ahmedabad-380013	079 27542188	
GAIL (India) Ltd.	Mr. Sanjib Datta Zonal DGM 809, Sakar- II Opp. Town Hall Near Ellisbridge Ahmedabad-380006	079 26586692/93/94	
Indian Oil Corporation Ltd.	Mr. G.K. Ram Chief Manager- Gas Marketing Scope Complex, Core-2 7, Institutional Area, Lodhi Road New Delhi-110003		011 24369583
Gujarat Gas Co. Ltd.	Mr. Rahul Bhatia Director Near Parimal Garden Ellisbridge Ahmedabad-380006	079 26462980	
Bharat Petroleum Corporation Ltd.	Mr. I.S. Rao GM - LNG Marketing Bharat Bhavan 4&6 Currimbhoy Road Ballard Estate, PO Box No. 688 Mumbai-400001		022 22713874
Charotar Gas Sahakari Mandali Ltd.	Mr. A.J.Parmar Managing Director 25, Vaibhav Commercial Centre Near Sardar Baug Bhalej Road Anand-388001	02692 256033	
Cairns Energy India Ltd.	Mr. Pankaj Jain Sr. Manager- Commercial & Business Development 3rd & 4th Floor Orchid Plaza, Sun City Sector 54 Gurgaon 122002		0124 2889320

Annexure F

Approvals Required from Industrial Health and Safety Department



Annexure G

Procedure for Obtaining Mining Lease

