

Circular No. 1/2013.

No. DI/PSI/Simplification/SD/2013/C-3585
Package Scheme of Incentives- 2013
Simplification of Procedure for availing
stamp duty exemption by MSMEs

12 / NOV 2013

Directorate of Industries
New Administrative building, Mumbai 400 032

Circular

Subject: Simplification of procedure for issuance of Stamp Duty Exemption Eligibility Certificate (SDEC) for MSMEs under PSI-2013

A review of procedures and documentation required for Stamp Duty Exemption Eligibility Certificate (SDEC) for MSMEs under PSI-2013. Accordingly, revised procedure for issuance of SDEC is detailed in this circular. This circular comes into effect with immediate effect.

A. Procedure

1. Land requirement assessment will be done automatically. The sector wise cap in area of land/premises considered admissible for stamp duty exemption will be as follows,

- a) For Micro enterprise cap to be 3000 Sq. meter of land/600 Sq. meters of constructed premises.
- b) Small enterprise cap to be 12000 Sq. meters of land/2500 Sq. meters of constructed premises.
- c) Medium enterprise cap to be 25,000 Sq. meters of land/5000 Sq. meters of constructed premises.

Implementing agency shall grant stamp duty exemption through automatic route without any assessment of land/premises requirement if it is within the cap specified above (a),(b) &(c). In case of land/premises requirement is more than above (a), (b) & (c), then necessary assessment of requirement will be done at the level of Implementing Agency itself with the help of documentation submitted by the unit.

2. Since assessment of land/premise area will become more objective, procedure for issue of SDEC takes a near automatic route in respect of (a), (b) & (c) above. Therefore, number of levels of processing will be curtailed to maximum of two (Inspector and Manager/GM). The maximum time for issue of SDEC will be 2 working days from date of submission of valid application (5 days if the land / premises requirement is to be assessed by the implementing agency)

3. SDEC will be issued only once, and shall cover all six articles of Bombay Stamp Act (Articles 25, 36, 60, 16, 6 and 40) The SDEC will specify details of land/premises. It will be valid for entire investment period, i.e.3 years for MSME.

In case of any revision in the final project including project cost, review application supported with loan sanction / appraisal from financing agency, may be filed by the Unit with the implementing agency and for that separate SDEC will be obtained by the unit.

B. The documents required for availing SDEC will be as under,

Category	Documents required
(a) EM Part-I & Constitution documents.	The documents pertaining to constitution are already available with the implementing Agency as these form a part of documents submitted with EM Part-I application.
(b) Land /Premises	<p>(a) Outside MIDC –</p> <p>i) Industrial zone confirmation certificate from concerned planning authority/NA permission for industrial use \ copy of application filed under section 44A of Maharashtra Land Revenue Code in schedule 6A where Regional Development Plan or Draft Regional Development Plan does not exist, with the concerned Revenue authority.</p> <p>ii) Latest 7/12 abstract of land.</p> <p>(b) For MIDC – Offer/allotment letter from MIDC.</p>
© Other Documents.	1. Self certification-cum-undertaking in (Annexure-).
	2. Project Profile
	3. Board Resolution in case of Company/Power of Attorney in case of Partnership/Authorizing signatory to sign application and self certification for SDEC and incentives.
	4. Application in Format



Addl. Director of Industries
For Development Commissioner (Industries)

Annexure I

Self Certification by the applicant Unit for obtaining Stamp Duty Exemption Eligibility Certificate under Package Scheme of Incentives under Bombay Stamp Act 1958.

(On Stamp Paper of Rs 100/-, in duplicate)

I, (Name of Person signing this Self Certification), Managing Director/Director (in case of Company/Society), Partner (in case of Partnership Firm), Proprietor duly authorized on behalf of (Name of the Unit), having existing/proposed location (Factory Address), for signing this application and self certification for obtaining Stamp Duty Exemption Eligibility Certificate under Package Scheme of Incentive 2013, affirms that,

1. We have completed Effective Steps under Package Scheme of Incentives- 2013, for establishing New unit/expansion of the existing unit, the relevant details of which are as under :-

A. For New unit,

Sr. no	Effective Step	Details
1	EMI Acknowledgement	No _____ Date _____ Issued by District Industries Center _____
2	Proposed Products	
3	Constitution Prop. /Partnership/ Company/ Society	Date of Registration :- _____ Registration No.:- _____ Registered Address :- _____ Name and address of Partners/Directors % Holding Proprietor _____ _____ _____
4	Proposed Location of the unit (please provide detail address)	
5	Proposed use of land/premises (Please give details in Sq Meters or Sq ft).	Build up area for Factory Shed :- _____ Build up area for storage :- _____ Open Space for Utilities :- _____ Build up area for office :- _____

	Other (PI Specify) :- _____
	Total area required :- _____

B. For Expansion/Diversification :-

Sr. no	Effective Step	Details
1	EM II Acknowledgement	No _____ Date of Ack. _____ Issued by District Industries Center _____ Date of Inclusion of proposed Expansion (addition in FCI, Capacity & Employment) in EMII :- _____
2	Constitution Prop. /Partnership/ Company/ Society	Date of Registration :- _____ Registration No. :- _____ Registered Address :- _____ Name and address of Partners/Directors % Holding Proprietor _____ _____ _____
3	Land required for Expansion of the unit (please provide detail address)	
4	Proposed use of land/premises (please give details in Sq Meters or sq ft. pl specify unit)	Build up area for Factory Shed :- _____ Build up area for storage :- _____ Open Space for Utilities :- _____ Build up area for office :- _____ Other (PI Specify) :- _____ Total area required :- _____ Sq Meters
5	Production Capacity	Existing Products _____ Existing Annual Capacity _____

			Proposed Products _____ Addition in Annual Capacity _____ % addition proposed to existing capacity :- _____%
6	Fixed Investment	Capital	Cutoff Year _____ Gross FCI at the end of Cutoff Year Rs _____ Lakhs, Additional FCI proposed under Expansion Rs _____ Lakhs, period of Expansion _____ years. % addition proposed to existing FCI :- _____%
7	Employment		Employment on units' roll at the end of cutoff year:- _____ number of persons. Additional proposed employment generation under expansion :- _____ no of persons % addition proposed to existing employment :- _____%

C. Term Loan for establishing the proposed new unit/expansion is sanctioned by the Bank/ Financial Institution as under:-

Name of Bank, Branch/Financial Institution	_____
Amount of Term Loan Sanctioned	Rs _____ lakhs
Date of loan sanction	_____

If loan is yet to sanctioned, provide following information

Estimated Project cost	Rs _____ lacs
Proposed Means of finance:	
Equity	Rs _____ lacs
Loan from bank/FI	Rs _____ lacs
Unsecured loans	Rs _____ lacs
Othrs (pl specify)	Rs _____ lacs

2. I/We require Land/Premises admeasuring _____ Sq Meters for establishment of new unity/expansion of the unit located at _____ (detailed address). _____ Sq Meters land will be used for factory shed, and _____ Sq Meters will be required as open space and for utilities related to proposed production activities. I/We undertake to utilize the entire proposed land/premises only for proposed activity and not for any other purpose what so ever. I/We have ensured and verified that the proposed land/premises falls under Industrial Zone as per Regional Development Plan/Draft Regional development plan/ Local Development Plan.

Or

since no Regional/Draft Regional Development plan exists, we have filed application under section 44A of MLRC in form 6A with competent Revenue authority for putting agricultural land to industrial use. We have verified that the land can be legally put to industrial use. If in future, at any point in time and for whatsoever reasons, it is found that the land/premises is not permissible for industrial us, I/We undertake to refund in one single installment, the stamp duty exemption availed under Package Scheme of Incentives 2013 (PSI 2013) together with whatever penalty and interest as may be specified under the Bombay Stamp Act 1956.

- 3. I/We undertake that Term loan which I/We propose to avail from Bank/Financial Institutions, for which the Stamp Duty Exemption Eligibility Certificate is requested from the Implementing Agency under Package Scheme of Incentives -2013, will be utilized only for this project and for none other purposes what so ever.
- 4. I/We undertake to submit to the Implementing Agency (District Industries Center _____) the copies of documents for which stamp duty exemption is availed by me/us on the basis Stamp Duty Exemption Eligibility Certificate within 15 working days from execution of the respective document.
- 5. I/We declare that the information given at Sr. No 1 to 5 above and in the accompanied application is correct and verified by me as so, if found otherwise, or if I/We contravenes any conditions under Package Scheme of Incentives- 2013, I/We know that amount as applicable under Bombay Stamp Act 1958 along with penalty and interest under the act will be recovered from me/us in one single installment.
- 6. I/We understand that the project for which the stamp duty exemption is taken will have to complete the investment within the stipulated period and start commercial production under Package Scheme of Incentive 2013 (PSI 2013) and apply for and obtain Eligibility certificate under PSI 2013. If project fails to start commercial production within the period stipulated under PSI 2013 and fails to obtain Eligibility Certificate under PSI 2013, for any reasons what so ever, the stamp duty exemption availed will be recovered in one single instalment along with penalty and interest as will be applicable under PSI 2013 and Bombay Stamp Act.

Self certification signed on __ day of __ (month) __ (Year) at _____ (Name of Place).

Signature and Seal

(Complete Name, designation & Full address for correspondence of the person signing the undertaking along with telephone & call No & e-mail address)