

## CIRCULAR

### **Subject: Procedure to be followed at the time of processing of Transfer application**

As per the existing transfer policy of the Corporation (circular dated 31/5/2008) only utilized plot can be transferred. (Except in the case where transfer is to be done in favour of the entity bringing not less than 51 % of Foreign Direct Investment of total capital investment or an entity exporting not less than 51% of average of its last three years' total turnover as per the terms and conditions as mentioned in policy circular dated 03/10/2012.)

Further as per abovementioned circular, to verify whether the property under transfer is utilized or not following documents are required to be submitted by the applicant:

1. Any two documents of following :
  - (i) Electricity Release Certificate
  - (ii) Light Bill of three months
  - (iii) Water Bill of three months
  - (iv) Challan of payment of VAT
  - (v) Challan of payment of Excise Duty

AND

2. The property in question must have at least 20% Ground Coverage except in the cases where exemption in ground coverage construction is given by policy circular dated 29/03/2011.

When any property is allotted by the corporation the allottee is required to utilize it within stipulated time limit i.e. moratorium period and if any allottee fails to utilize property allotted to him/her within moratorium period Non utilization penalty is required to be recovered for the delayed period. Accordingly, whenever any proposal for transfer is received by GIDC normally documents showing that property was utilised within moratorium period are called for.

Secondly, to verify the current status of utilization of property intended to be transferred recent utilisation documents like Electricity Release

Certificate/light bills/water bills/VAT Challan/Excise Challan are called for. Apart from these documents report of Engineering Branch is also obtained regarding status of Ground coverage construction clearly stating details of unauthorised construction, if any.

After consulting the matter with field officers across the State it is noticed that the method adopted for determining whether the property under transfer was utilized within the moratorium period and method adopted for determination of current status of utilization are quite different from region to region.

In order to ensure uniform procedure for determining utilisation of property under transfer, the following instructions are issued. All the field offices are required to follow the said procedure while processing all applications for transfer.

Whenever any application for such transfer is received, following two verifications, to determine utilisation status of property, are required to be carried out:

- A. Whether property under transfer was utilised within Moratorium period or not?**
- B. Current utilisation status of property under transfer.**

Detailed procedure to be followed by field offices for above verifications is described below.

**A. Procedure for verification whether the property under transfer was utilized within Moratorium Period:-**

With a view to verify whether the property under transfer was utilised within moratorium period the applicant is required to submit any two of the following documents:

- (i) Permanent Electricity Release Certificate for motion power
- (ii) Light Bills of first three months
- (iii) Water Bill of first three months
- (iv) First Challan of payment of Sales-tax/VAT
- (v) First Challan of payment of Excise Duty



However, in case of very old estates of GIDC where the applicant was allotted the property in question long ago from date of present application and it is reasonably difficult for the applicant to preserve above mentioned documents, the issue whether the property in question was utilized within moratorium period or not should be determined on the basis of PERMANENT POWER RELEASE CERTIFICATE FOR MOTION POWER.

In case the powers for transfer in a particular case rests with GIDC head office, the file shall be submitted to HO with the clear recommendation of Divisional Manager.

If it is found that the property under transfer was not utilized within moratorium period, applicable Non Utilization penalty shall be levied for the delayed period and then only transfer shall be processed.

**B. Procedure for verification of Current utilization status of Property under Transfer:-**

As per the norms of Government Authorities like Income-tax, VAT, Central Excise etc. it is mandatory for any entity to maintain his/her books of accounts and supporting documents for last six years. But to keep matter simple and easy, it is decided that with a view to verify the current status of the property under transfer, the allottee of **Industrial property shall furnish at least any one of the documents stated in (i) and (ii) below and at least one of the documents stated in (iii), (iv) and (V) below.**

- (i) Any one Light Bill of each quarter of last two years before the date of transfer application.
- (ii) Any one Water Bill of each quarter of last two years before the date of transfer application.
- (iii) Challans of payment of VAT/VAT Returns of last two years before the date of transfer application.
- (iv) Challans of payment of Excise Duty/Excise Returns of last two years before the date of transfer application.
- (v) Copy of Income-tax returns of last two years along with the copy of the PAN card.

However, non-industrial allottee (housing, commercial etc.) shall furnish any two of the above-stated five documents.

**EXPLANATIONS:-**


1. If applicant fails to produce the above document for last two years before the date of application, it would be possible that the property in question is not utilized for the last two years or even more. In such cases proper investigation requires to be carried out to ascertain the period for which the property in question has remained unutilized and Non Utilization penalty is required to be levied.
2. If applicant fails to produce the above documents for any part of the last two years before the date of application, Non Utilization penalty shall be levied for the period for which the applicant failed to produce the documents.
3. In case of any property, if any transfer was approved within last two years before the date of present application of transfer, applicant shall be asked to produce above documents only for the post transfer period.

**It is further clarified that before processing any application for transfer of any property, except for the cases where relaxation in minimum ground coverage construction is given vide policy circular dated 29/03/2011, it is mandatory to obtain latest site verification report from Engineering Branch in prescribed format clearly mentioning details of ground coverage construction, details of violative and unauthorised construction. It is further clarified that all the violative and unauthorised construction requires to be either regularised or removed as per the GIDC policy before issuing FTO.**

Date: 22/6/2015

Sd/-  
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Issued

  
22/6/15  
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