

*Aatmanirbhar Gujarat Scheme for
assistance to MSMEs*

Government of Gujarat
Industries & Mines Department
Resolution No. MIS-102022-1271(1)- I(Ch)
Sachivalaya, Gandhinagar.
Dated 5/10/2022

Read:

1. GR of Industries and Mines Department No. SSI/102020/332278/Ch Dt. 01/09/2020
2. GR of Industries and Mines Department No. MIS-102020-327024-I Dt. 01/09/2020
3. GR of Industries and Mines Department No. MIS-102020-347965-I Dt. 2/11/2020

Preamble

MSMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90% of businesses and more than 50% of employment worldwide.

MSME sector of India is a highly vibrant and dynamic sector with over 6 crore units, providing employment to over 11 crore people, having 28% share of GDP and 40% of exports. MSMEs are thus a catalyst for maintaining growth and employment generation. Even for large industries, MSMEs play an important role in streamlining supply chains by supplying components & ancillaries. Today, MSMEs have moved up the value chain from manufacturing of simple goods to sophisticated products and thereby significantly contributing to Hon'ble Prime Minister's vision of an "Aatmanirbhar Bharat".

Being an entrepreneurial society, Gujarat is home to over 8.5 lakh MSMEs and is amongst the most industrialised states in India, with the highest contribution to the national manufacturing output. The State has emerged as a national leader in several key sectors and has been the leading destination for attracting investment. Given the fact that Gujarat has been manufacturing hub of India, it is imperative for the state to take lead towards contributing to the larger vision of an Aatmanirbhar Bharat by envisaging an Aatmanirbhar Gujarat.

MSMEs being a major contributor to state economy are important to accelerate the State's vision of an "Aatmanirbhar Gujarat". Hence, the state government has been proactive in undertaking initiatives for the same including setting up of new industrial estates, sector specific parks, infrastructure projects etc.

To further fuel this growth, it has been under the consideration of the Government of Gujarat to make necessary amendments to the Gujarat Industrial Policy 2020, to further support MSMEs and also boost investments in Gujarat. After careful consideration, Government is pleased to introduce this revised scheme for assistance to MSMEs. The scheme will go on to further boost MSME growth and strengthen the overall ecosystem in the State and help achieve the larger goal of an Aatmanirbhar Gujarat for Aatmanirbhar Bharat.

Resolution:

This Scheme will be known as Aatmanirbhar Gujarat Scheme for assistance to MSMEs. The operative period of the scheme shall be considered from 5/10/2022 till 4/10/2027 (i.e 5 years from the date of issue of this GR) (Operative Period).

1. Definitions:

1.1 Enterprise: Enterprise means a legal entity such as company, partnership firm including LLP, society, trust, industrial cooperative society, or proprietary concern engaged or to be engaged in the manufacture, production, processing or job work of articles or rendering of services.

1.2 Micro, Small and Medium enterprise: For the purpose of eligibility under this scheme, a Micro, Small or Medium enterprise means an enterprise which has fixed capital investment made in Plant and Machinery as per following:

- a. Micro: Less than or equal to INR 1 crore
- b. Small: More than INR 1 crore and less than or equal to INR 10 crore
- c. Medium: More than INR 10 crore and less than or equal to INR 50 crore

The enterprise must have obtained acknowledgement/ registration from Ministry of MSME or DPIIT, as the case may be.

1.3 New Enterprise: A New Enterprise means an enterprise set up by the MSME, as defined in Para 1.2 above and that has commenced commercial production/ rendering of services during the operative period of the scheme, provided it satisfies the following conditions:

- a. The new enterprise should have obtained acknowledgement/ registration from Ministry of MSME or DPIIT, as the case may be.
- b. The new enterprise should have separately identifiable fixed capital investment. However, the enterprise will not lose its eligibility, if the utilities of an existing project, such as for water, electricity, steam, gas, pollution control facilities etc. are utilized.



1.4 Existing Enterprise: An Existing Enterprise means an MSME that is in production/is rendering services before initiating the expansion/diversification. A new enterprise set up during the operative period of the scheme, will be termed as existing enterprise in reference to the expansion/diversification.

1.5 Expansion: Expansion means where an existing enterprise increases its investment in gross fixed capital by at least 50% of its existing project in the same premises, of which at least 60% of investment is made in plant and machinery, and also increases its installed capacity by at least 50% of existing product(s) for which expansion is carried out. Such expansion will be eligible only if the existing enterprise has reached the utilization of existing installed capacity at least to the extent of 75% in any one of the preceding three financial years.

Such expansion enterprise should have separately identifiable fixed capital investment. However, the enterprise will not lose its eligibility, if the utilities of an existing project, such as for water, electricity, steam, gas, pollution control facilities etc. are utilized

1.6 Diversification: Diversification means where an existing/New enterprise engaged in manufacturing diversifies its production line with an increased investment in gross fixed capital (GFCI) by at least 25% of its existing project in case of Micro and Small enterprises and atleast 50% of its existing project in case of Medium enterprises, of which at least 60% of investment is made in plant and machinery.

The diversification enterprise should have separately identifiable fixed capital investment. However, the enterprise will not lose its eligibility, if the utilities of an existing project, such as for water, electricity, steam, gas, pollution control facilities etc. are utilized.

1.7 Gross Fixed Capital Investment (GFCI): Gross Fixed Capital Investment means the investment made in building, plant and machinery, utilities, tools and equipment, and other assets (excluding Land) required for manufacturing the end product/ rendering of services.

Assets acquired and paid for during eligible investment period of the project under this scheme shall be considered for determining the gross fixed capital investment.

1.8 Eligible Fixed Capital Investment (EFCI): Eligible Fixed Capital Investment means following investments made on or after the date of issue of this GR and upto the last date of eligible investment period as per para 1.13 of this G.R.

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Provided that MSMEs opting /applying under this scheme as per clause 7.2 or clause 7.3 of this scheme, the investment made during the operative period of previous scheme till the date of issue of this GR shall also be considered for calculating eligible FCI.

- A. **New Building:** A New Building means a new building constructed, or the acquisition of a new and unused building, for the project, including administrative building. The cost of a new building shall be calculated as per the actual cost or the Schedule of Rates (SOR) of the relevant year of the R&B department of the State Government, whichever is lower.

The cost of new buildings constructed for installation of plant and machinery, R&D activities, in-house testing facilities, storage facilities, and other buildings related to the manufacturing process, shall be considered as per the actual expenditure incurred.

Building acquired under lease or on rental basis, except GIDC sheds, will not be considered as eligible fixed capital investment. No cost incurred on acquisition of old building, or the expenditure incurred on repairing a building, will be considered as eligible fixed capital investment.

- B. **Other Construction:** Other construction means construction such as compound wall and gates, security cabins, internal roads, bore well, water tank, internal pipeline network for water and gas, and other related constructions.

- C. **Plant and Machinery:** Plant and machinery means new plant and machinery, and imported secondhand plant and machinery having usable life for at least further ten years which is duly certified by Chartered Engineer, utilities, dies and moulds, including cost of transportation, foundation, erection, installation and electrification, capitalized under the head of plant and machinery. The electrification cost will include the cost of sub-station and transformer installed by the enterprise.

Plant and machinery shall include:

- a. Plant for captive power generation
- b. Plant for pollution control measures, including facility for collection, treatment, disposal of effluent or solid/ hazardous waste;
- c. Diesel Generating sets of capacity not more than 50% of the connected electric load or 5 MW, whichever is less.

d. Technology, Design and Drawings, Patents: The cost incurred in acquiring technology, design and drawings, patents, limited to 10% of the GFCl.

D. **Project related infrastructure:** Fixed capital investment made in the following assets/items will be considered as project related infrastructure. Direct expenditure incurred for the following items will also be considered to determine the eligibility under this head:

- a. Residential colony/ dormitory housing facilities, hospital, school or sports facilities created for workers and staff of the industrial unit;
- b. Feeder road to the industrial unit from the nearest approach road;
- c. Dedicated facilities created for carrying water, gas, raw material required by the project through pipeline;
- d. Non-refundable deposit paid to Electricity Company for transmission of electricity from the nearest sub-station;
- e. Expenditure on electronic telephone exchange and laying of telecommunication cables;
- f. Construction of building for bank or post office, if provided by the unit without any charge;
- g. Training Centre to train local people for employment in the project and Skill Development Centre;
- h. Expenditure on transport facilities, such as buses, for conveyance of workers from nearby villages/ towns to the factory premises.

Of the investment in the above stated infrastructure, or any other item of infrastructure as approved by the committee, the expenditure up to 20% thereof only shall be considered for inclusion in the final eligible fixed capital investment.

1.8.1 In case of Micro and Small enterprises, investment towards components other than Plant & Machinery shall be limited only upto 35% of eligible FCI

1.9 Ineligible Capital Expenditure/ Assets: The following expenditure shall not be considered for calculating the eligible fixed capital investment:

- a. Land and Land development cost.
- b. Working capital
- c. Goodwill
- d. Royalty
- e. Preliminary and pre-operative expenses

- f. Indigenous second-hand plant and machinery
- g. Interest capitalized
- h. Power generation, except for captive use.
- i. Rented or leased property

1.10 Term Loan: Term loan means loan sanctioned by the financial institutions / Banks (Except NBFCs) for the acquisition of GFCI of the enterprise. However, only the amount actually disbursed against the sanction will be considered for the incentives under the scheme.

1.11 Previous Scheme: Previous scheme means a scheme for assistance to Micro, Small and Medium enterprise (MSME) declared vide resolution SS.I/102020/332278/Ch Dt. 01-09-2020

1.12 Net SGST: Net SGST to be considered for Reimbursement means that the eligible enterprise will be eligible to get reimbursement of SGST amount paid through cash ledger against the output liability of SGST on sale of eligible products. The eligible enterprise shall first have to utilize all the eligible ITC available in its Credit Ledger, maintained on the common portal as specified under sub-rule (1) of the rule 86 of the Gujarat Goods and Services Tax Rules, 2017 including eligible ITC of IGST as provided under Section 49 of the GGST Act, 2017 as may be amended from time to time, before adjusting the SGST amount through Cash Ledger

1.13 Eligible Investment Period

In order to be eligible for incentive under this resolution, the enterprise must have commenced commercial production/ rendering services during the operative period of the scheme. The consideration of investment period for eligible fixed capital investment will be, for the assets acquired and paid for from date of issue of this GR and during the extended time period of 12 months from the date of commencement of commercial production/ rendering services.

However, for MSMEs opting /applying under this scheme as per clause 7.2 or clause 7.3 of this scheme, the assets acquired and paid for during the operative period of previous scheme till the date of issue of this GR shall also be considered for calculating eligible FCI.

1.14 Date of Commercial Production (DoCP):

In case of new enterprises, the DoCP shall be the date of first sale bill of the product(s) for which the project has been set up

In case of expansion and/or diversification projects, the DoCP shall be the date of first sale bill of the product(s) being manufactured by the expansion and/or diversification project.

1.15 Installed Capacity: Installed Capacity means the optimum production capacity of the plant which is undergoing expansion. The installed capacity as mentioned in the appraisal report prepared by a bank or financial institution will be considered as the installed capacity. Where no such appraisal is available, the production capacity as worked out by the MSME Commissioner, or by an officer authorized by him, will be considered as the installed capacity

1.16 Category-wise classification of talukas under the scheme: Category-wise classification of talukas will be as per GR MIS-102020-347965-I Dt. 2/11/2020.

If a project is located in the geographical limit of more than one taluka, then the taluka in which the project has the largest percentage of land area will be considered as the eligible category of taluka under the scheme.

2 Scheme 1: Assistance of Capital Investment Subsidy to Micro enterprises

2.1 Eligibility (for manufacturing enterprises):

2.1.1 A new enterprise, or an existing enterprise engaged in manufacturing that carries out expansion/diversification, and which commences commercial production during the operative period of the scheme will be eligible under the scheme.

2.1.2 An enterprise that has availed any incentive for the same GFCI under any scheme of the state government, or any agency of the state government, shall not be eligible under this scheme unless specifically provided.

2.1.3 While deciding the final eligibility of the enterprise for the incentive, Gross fixed capital investment made in the project or the cost appraised by the bank or financial institution, whichever is lower, will be considered.

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2.2 Quantum of Capital Investment Subsidy

Category of taluka	Quantum of incentive
Category 1	25% of term loan amount upto INR 35 lakhs.
Category 2	20% of term loan amount upto INR 30 lakhs.
Category 3 & Municipal Corporation Areas	10% of term loan amount upto INR 10 lakhs.

2.3 Conditions for Capital Investment Subsidy:

- 2.3.1 Enterprise shall have to submit an application on online portal within, one year from the date of first disbursement of loan, or, one year from the date of commencement of commercial production, or, one year from the date of issue of this GR, whichever is later. The application submitted after one year will not be entitled for Capital Investment Subsidy. In any case, the application shall have to be submitted on or before the last date of the operative period of this scheme.
- 2.3.2 Capital Investment subsidy will be paid only after commencement of commercial production of the enterprise.
- 2.3.3 The enterprise will not be eligible for capital investment subsidy under this scheme if, term loan is sanctioned after one year from the date of commencement of commercial production.
- 2.3.4 If enterprise is availing Capital Investment subsidy under scheme of Central government then total quantum of capital Investment subsidy from State and Central, in any case shall not exceed the total loan amount disbursed by Banks/ Financial institutions.

3 Scheme 2: Assistance for Interest Subsidy to Micro, Small and Medium Enterprise:

3.1 Eligibility (Manufacturing and Services Enterprise):

- 3.1.1 A new enterprise, or an existing enterprise that carries out expansion/diversification, and which commences commercial production/rendering services during the operative period of the scheme will be eligible under the scheme.
- 3.1.2 An enterprise that has availed any incentive for the same GFCI under any scheme of the state government, or any agency of the state government, shall not be eligible for incentive under this scheme, unless specifically provided.
- 3.1.3 While deciding the final eligibility of the enterprise for the incentive, Gross fixed capital investment made in the project or the cost appraised by the bank or financial institution, whichever is lower, will be considered.

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3.2 Manufacturing Sector

3.2.1 Quantum of Interest subsidy

Category of taluka	Quantum of incentive
Category 1	Interest subsidy @7% on Term Loan with the maximum amount of Rs. 35 lakhs per annum for a period of 7 years
Category 2	Interest subsidy @6% on Term Loan with the maximum amount of Rs. 30 lakhs per annum for a period of 6 years
Category 3 & Municipal Corporation Areas	Interest subsidy @5% on Term Loan with the maximum amount of Rs. 25 lakhs per annum for a period of 5 years

- a. 1% additional interest subsidy to differently abled entrepreneur, Women entrepreneur and registered startup in manufacturing sector.
- b. 1% additional interest subsidy to young entrepreneur below age of 35 years on the date of sanction of term loan.
- c. In any case, eligible enterprise shall have to bear minimum 2% interest levied on term loan by Bank/Financial institution
- d. If the eligible enterprise is also availing interest subsidy from Government of India, the interest subsidy from the state shall be to the extent that the enterprise bears atleast 2% of the interest even after offsetting the interest subsidy from Government of India.
- e. An Existing enterprise which installs new solar power plant or any other renewable power plant for captive consumption in the premises will be eligible for interest subsidy in accordance with the location of the Enterprise. In addition to the Interest Subsidy as mentioned above special provision is made for the interest subvention on such installation. However, incentive will be available only once. If an enterprise has already availed of this subsidy under the previous scheme, such enterprise shall not be eligible for this subsidy under this scheme.

3.3 Service sector

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3.3.1 Only new MSME of Service sectors as listed in Annexure -A will be eligible for Interest subsidy on the term loan on new machinery, equipment and furniture/fixture (except land and building).

Category of taluka	Quantum of incentive
Category 1	Interest subsidy @7%on Term Loan with the maximum amount of Rs. 35 lakhs per annum for a period of 7 years
Category 2	@6% on Term Loan with the maximum amount of Rs. 30 lakhs per annum for a period of 6 years
Category 3 & Municipal Corporation Areas	@5% on Term Loan with the maximum amount of Rs. 25 lakhs per annum for a period of 5 years

- a. 1% additional interest subsidy to differently abled entrepreneur, Women entrepreneur and registered startup in service sector.
- b. 1% additional interest subsidy to young entrepreneur below age of 35 years on the date of sanction of term loan.
- c. In any case, eligible enterprise shall have to bear minimum 2% interest levied on term loan by Bank/Financial institution
- d. If the eligible enterprise is also availing interest subsidy from Government of India, the interest subsidy from the state shall be to the extent that the enterprise bears atleast 2% of the interest even after offsetting the interest subsidy from Government of India.
- e. Service Enterprise which has registration under applicable Act are only eligible for incentive.

3.3.2 The services listed at Annexure A (ii) shall have to comply with following additional conditions:

- a. The Enterprise shall have to give permanent employment to minimum 10 (ten) persons.
- b. The Enterprise must have GST registration.

3.4 Conditions for Interest Subsidy:

3.4.1 Enterprise shall opt for date of eligibility of interest subsidy either from the date of first disbursement of loan or from the date of commencement of commercial production/rendering services.

- 3.4.2 Enterprise shall have to submit an application on online portal within one year from, the date of first disbursement of loan or one year from the date of commencement of commercial production/rendering services, or one year from the date of issue of this GR, whichever is later.
- 3.4.3 The enterprise submitting application after the time limit prescribed in clause 3.4.2 above, shall be subject to deduction of delayed period beyond the eligible period as defined above. In any case, the application shall have to be made before the last date of the operative period of this scheme.
- 3.4.4 Reimbursement of interest subsidy will be made only after commencement of commercial production/rendering services of the enterprise.
- 3.4.5 The enterprise will not be eligible for interest subsidy under this scheme if, term loan is sanctioned after one year from the date of commencement of commercial production/rendering services.
- 3.4.6 Interest subsidy will be disbursed only to the enterprise which pays regular instalments and interest to the bank/financial institution. If the enterprise becomes defaulter, it will not be eligible for interest subsidy for the default period, and such default period will be deducted from the period eligible for interest subsidy. The default will be determined as per the RBI guidelines.
- 3.4.7 The interest subsidy will be reimbursed only on interest levied by the Financial institution. Penal interest or other charges will not be considered as interest. If the eligible enterprise is also availing interest subsidy from Government of India, the interest subsidy from the state shall be to the extent that the enterprise bears atleast 2% of the interest even after offsetting the interest subsidy from Government of India.

4 Scheme 3: Net SGST reimbursement to Micro, Small and Medium Manufacturing Enterprise (MSMEs):

4.1 Eligibility:

- 4.1.1 A new enterprise or an existing enterprise engaged in manufacturing that carries out expansion/diversification, and which commences commercial production during the operative period of the scheme will be eligible under the scheme.
- 4.1.2 An enterprise that has availed any incentive for the same GFCI under any scheme of the state government, or any agency of the state government, shall not be eligible for incentive under this scheme unless specifically provided.



4.1.3 While deciding the final eligibility of the enterprise for the incentive, Gross fixed capital investment made in the project or the cost appraised by the bank or financial institution, whichever is lower, will be considered.

4.2 Quantum of incentive

The eligible enterprise will be eligible for reimbursement of net SGST based on the taluka category of the project subject to following ceilings:

Category of taluka	Quantum of incentive
Category 1	100% of net SGST for 10 years upto 7.5% of eFCI p.a.
Category 2	90% of net SGST for 10 years upto 6.5% of eFCI p.a.
Category 3 & Municipal Corporation Areas	80% of net SGST for 10 years upto 5% of eFCI p.a.

4.2.1 The period of 10 years shall be from the date of commencement of commercial production.

4.3 Conditions for Net SGST:

4.3.1 **Separate registration by eligible enterprise under GST:** Eligible enterprise may obtain a separate registration under GST Act for manufacturing of eligible products only. The eligible enterprise shall have to obtain a separate registration for manufacturing of eligible product(s), if the enterprise carries out trading activity or is engaged in provision of any services apart from manufacturing.

4.3.2 In case an MSME has multiple manufacturing units, it shall have to maintain separate books of accounts for the industrial undertaking applying under this scheme and get the same certified by a Chartered Accountant.

4.3.3 Incentives shall be allowed only for goods manufactured in the premises of eligible enterprise and not on the resale of any goods.

4.3.4 If the eligible enterprise has shown its inter-State sales as intra-State sales through intermediary/ marketing network/ or any other middle man, either directly or indirectly controlled by it, in order to get higher incentives then the eligibility certificate of the eligible enterprise shall be liable to be cancelled with effect from the date of such contravention, and the eligible enterprise shall be liable to return forthwith the incentives availed together with interest at the rate of eighteen per cent per annum from the date of first availment of such incentive.

- 4.3.5 The eligible enterprise shall submit to MSME Commissioner the details of amount of reimbursement claimed in the prescribed proforma duly certified by a Chartered Accountant. The proforma shall include a declaration by the eligible enterprise stating that it has not shown its inter-state sales as intra-state sales through intermediary either directly or indirectly controlled by it in order to get higher incentives
- 4.3.6 Reimbursement shall be made by the Disbursing Authority on a quarterly basis.

4.4 Application for Provisional/Final Eligibility Certificate for Net SGST:

- 4.4.1 After commencement of commercial production, the eligible enterprise, shall submit an application for provisional eligibility certificate within one year from the date of commencement of commercial production or within one year from the date of issue of this G.R., whichever is later.
- 4.4.2 If entire investment gets completed as on the date of commercial production, the enterprise may apply directly for final eligibility certificate instead of provisional eligibility certificate.
- 4.4.3 If entire investment gets completed within eligible investment period, enterprise may either apply for provisional eligibility certificate or directly apply for final eligibility certificate with requisite details within time limit as specified at (a) above
- 4.4.4 If entire investment is not completed within eligible investment period (as defined in 1.13), the enterprise will have to submit application for final eligibility certificate within one year from the last date of investment period.
- 4.4.5 The enterprise submitting application after the time limit prescribed shall be subject to deduction of delayed period beyond the eligible period as defined above.
- 4.4.6 On receipt of the application for provisional eligibility certificate, the application would be scrutinized and the provisional eligibility certificate for assistance for Net SGST will be issued by the Sanctioning & Disbursing Authority based on the certificate of Chartered Accountant and Chartered Engineer for the eligible investment made and work completed till the date of commercial production.
- 4.4.7 On receipt of the application for final eligibility certificate, the Sanctioning & Disbursing Authority will scrutinize and constitute an Asset Verification team to verify the investment details. The final entitlement of assistance will be calculated based on assets verification report. The Asset Verification report of the team shall be placed before the sanctioning authority for final sanction of assistance



4.4.8 The Final Eligibility of assistance shall be approved by the sanctioning & disbursing authority. Thereafter, the final eligibility certificate for availing assistance shall be issued by the Sanctioning & disbursing authority.

4.6 Procedure for claim of assistance for Net SGST

The eligible enterprise shall submit the claim application for assistance, at the interval of every 3 months, to Sanctioning & disbursing authority in prescribed Proforma. The detailed procedure and guidelines will be separately issued by MSME Commissioner.

5. Scheme 4: EPF Reimbursement to MSMEs

5.1 Eligibility

5.1.1 A new enterprise, or an existing enterprise that carries out expansion/diversification, and which commences commercial production during the operative period of the scheme will be eligible under the scheme.

5.2 Quantum of EPF reimbursement

5.2.1 Eligible enterprise shall be able to claim reimbursement of employer's contribution under Employees' Provident Fund (EPF) made by them for their new employees working in Gujarat for a maximum period of 10 years from the date of commencement of commercial production. The reimbursement shall be made subject to following criteria:

- a. 100% of employer's statutory contribution under EPF amount paid, and
- b. The ceiling of incentive amount per employee will be 12% of the employee's basic salary plus applicable Dearness Allowance (DA) and retaining allowance or INR 1800 per month, whichever is lower.

5.3 Conditions for EPF Reimbursement:

5.3.1 In case of eligible expansion/ diversification by enterprise, the assistance will be available for incremental employee count beyond the count that existed before undertaking expansion/diversification, and

5.3.2 New Employee means such employee who did not have a Universal Account Number (UAN) prior to joining the eligible enterprise and joins the enterprise during the operative period of the scheme.

5.3.3 The reimbursement shall be done on a quarterly basis based on payment receipts submitted by the employer, and



5.3.4 MSMEs that have availed EPF reimbursement under any scheme of the central / state government, or any agency of the central/ state government, shall not be eligible for EPF reimbursement under this scheme for that period.

6. General Conditions applicable to Capital Investment subsidy, Interest subsidy and Net SGST (Scheme 1, 2 & 3):

6.1 Enterprise shall have to furnish the following documents as applicable:

- a. Document of registration of the industrial undertaking, as applicable under law, and the Udyam Registration/ Industrial Entrepreneur Memorandum, as prescribed by Government of India.
- b. Documents related to legal possession of land/building with valid non-agriculture permission for industrial use, and registered purchase / Lease/Rent deed. If the plot or shed is in GIDC estate, a copy of possession letter should be attached.
- c. Consent to Establish from GPCB, if applicable.
- d. Detailed Project Report
- e. Term loan sanction letter from financial institution (s), if applicable.

6.2 Enterprise shall have to furnish information regarding production, sales, turnover, and employment etc. annually to concerned DIC before end of September each year.

6.3 Enterprise will have to observe pollution Control measures as prescribed by GPCB or other competent authority, if applicable.

6.4 The enterprise shall have to obtain shop and establishment registration, as may be applicable for doing business, from Municipal corporation/municipality, if enterprise is located within municipal limits.

6.5 An enterprise shall be required to employ persons domiciled in Gujarat to the extent of at least 85% of its total number of employees in all categories. The employment of persons domiciled in Gujarat in managerial and supervisory capacity shall not be less than 60% of the number of persons employed by the industrial undertaking in managerial and supervisory capacity.

6.6 If an enterprise is located in the geographical limit of more than one taluka, then the taluka in which the enterprise has the largest percentage of land area will be considered as the eligible category.

7. Option for availing incentives under this scheme or previous scheme:

7.1 MSMEs that have commenced commercial production before the date of issue of this GR, whether applied under the previous scheme or not, shall be eligible to avail incentives only under the previous scheme. Such SMEs shall have an option to apply under the scheme for Capital Subsidy to Large Enterprise and Thrust

Sector vide GR of Industries and Mines Department No. MIS-102020-327024-I Dt. 01/09/2020 as was permissible under that GR.

7.2 MSMEs that have applied under previous scheme or scheme for Capital Subsidy to Large Enterprise and Thrust Sector vide GR of Industries and Mines Department No. MIS-102020-327024-I Dt. 01/09/2020 but not commenced commercial production before the date of issue of this GR shall have an option to either continue under the same scheme or opt under this scheme. Such option will have to be exercised within a period of 6 months from the date of issue of this GR.

If such enterprise does not exercise the option within the prescribed time period of 6 months from the date of issue of this GR, it shall be deemed that the enterprise has opted to continue under the previous scheme or scheme for Capital Subsidy to Large Enterprise and Thrust Sector vide GR of Industries and Mines Department No. MIS-102020-327024-I Dt. 01/09/2020, as the case may be.

7.3 After the date of issue of this GR, all new applications of MSMEs that commence commercial production on or after the date of issue of this GR, shall be considered only under this scheme.

7.4 After the issue of this GR, the Sanctioning Authority shall not disburse capital subsidy or interest subsidy under the previous scheme or scheme for Capital Subsidy to Large Enterprise and Thrust Sector vide GR of Industries and Mines Department No. MIS-102020-327024-I Dt. 01/09/2020, as the case may be, to eligible SMEs which have commenced commercial production after the date of issue of this GR, unless the said enterprise exercises its option for either of the scheme (within 6 months of issue of this GR), or is deemed to have opted for the previous scheme at the end of 6 months from the date of issue of this GR.

8. Scheme 5: Assistance for Quality Certification

The scheme is to extend support to MSME to get quality certification to introduce quality product in competitive market.

The manufacturing sector will be eligible for following assistance.

8.1 ERP Assistance

65% of the capital cost for installing the Enterprise Resource Planning (ERP) system subject to a maximum amount of Rs. 1,00,000/- during the operative period of the scheme. However, eligible enterprises who have opted for this scheme as per para 7.2

of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

- a. ERP system with server and software facilitating details of production, inventory control, sales, purchase, accounting and Human Resource Management etc.
- b. The Capital cost in ERP system includes installation charges, software and annual service cost. The Capital cost does not include the hardware part of the ERP system.
- c. In case of Software-as-a-Service (SaaS) based deployment option of ERP system, the annual subscription charges will be considered.

8.2 Quality Certification

- a. 50% of fee payable to certification for national /International Certification(i.e BIS/ISI/WHO/GMP/Hallmark etc and other national/international certification)and 50% cost of testing equipment and machinery required for that certification totalling upto maximum amount of Rs. 10 lakh during the operative period of the scheme. However, eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.
- b. The cost for certificate will include:-Fees charged by certification agency(excluding travel, hotel & surveillance charges), Cost of testing equipment/machinery as required for certifications, Calibration charges of equipment
- c. The enterprise will not be eligible if any certification is required as a part of statutory provision.
- d. This Quality certification scheme will be supplementary to such scheme of Government of India. However, in no case total assistance from GOG and GOI should exceed more than actual expenditure incurred by the enterprise for said purpose.
- e. The testing equipment purchased after the issuance of Quality certificate shall not be eligible for assistance.
- f. The Enterprise shall have to submit the application within a one year from the date of issue of the Certificate.
- g. Expenditure incurred for renewal of certificate shall not be eligible for assistance under the scheme.

9. Scheme - 6: Financial Support to MSMEs in ZED Certification

The scheme envisages promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs and ZED Assessment for their certification so as to:

- a. Develop an Ecosystem for Zero Defect Manufacturing in MSMEs.



- b. Promote adaptation of Quality tools/systems and Energy Efficient manufacturing.
- c. Enable MSMEs for manufacturing of quality products.
- d. Encourage MSMEs to constantly upgrade their quality standards in products and processes.
- e. Drive manufacturing with adoption of Zero Defect production processes and without impacting the environment.
- f. Support 'Make in India' campaign.
- g. Develop professionals in the area of ZED manufacturing and certification.

The enterprise will be eligible for subsidy @ 50% of all charges on the amount after deducting the assistance received from Government of India for ZED Certification, up to a maximum amount of Rs. 50,000 during the operative period of the scheme. However, eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

10. Scheme-7: Assistance in implementation of Information and Communication Technology

The equipment required for use of JCT as a media of communication, networking with hardware for accessing cloud computing shall be eligible for 65% of the capital expenditure related to ICT facilities, maximum upto Rs. 5,00,000 during the operative period of the scheme. However, eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

11. Scheme -8: Assistance for Technology Acquisition

- a. Assistance for acquisition of appropriate technology from recognized institution for its product/ process during the operative period of the scheme, will be provided by way of 65% of the cost payable subject to a maximum of Rs. 50 lakh, including royalty payment for first two years. However, eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.
- b. The enterprise shall have to obtain prior approval of MSME Commissionerate within one year after signing of MOU/agreement/contract with technology provider.



- c. Assistance will be available to New Enterprise as well as existing enterprise for acquiring technology.
- d. Assistance will not be eligible for purchase of any plant and machinery or equipment.
- e. Patented Technology acquired from Indian Companies/foreign companies will also be eligible.

12. Scheme-9: Assistance for Patent Registration

- a. Individual/ any legal entity will be eligible for assistance under the scheme.
- b. 75% of cost/expenditure incurred for any number of patent applications subject to maximum Rs.25 lakh per applicant/Enterprise for obtaining Patent registration of developed product/process during the operating period of the scheme.
- c. Fees paid to patent attorney, patent service center, patent registration and patent equipment purchased to develop patent will be eligible as cost/expenditure (excluding travel, hotel charges) for obtaining patent registration.
- d. Maximum fee for attorney for national patent shall be capped at Rs. 50,000 for domestic patents and Rs. 2,00,000 per country for international patent within the overall cap of 75% of the cost/expenditure of patent registration within overall ceiling.
- e. 50% of the Assistance will be disbursed after the publication/notification of the patent, while remaining assistance will be disbursed after issuance of certificate of patent.
- f. Applicant shall have to submit application within one year from the date of publication/notification of the patent. Application submitted after one year from the date of publication/notification will not be eligible for assistance.
- g. Eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

13. Scheme-10: Assistance for saving in consumption of Energy and Water

- a. The existing as well as new enterprise taking action for saving in consumption of Energy and Water will be eligible for assistance under this scheme (a) 75% cost of energy/water audit conducted by a recognized institution/ consultant subject to maximum Rs. 50,000/- for each will be reimbursed once during the operative period of the scheme.
- b. 25% of cost of equipment recommended by the Auditing authority subject to maximum Rs. 20 lakhs one time assistance will be eligible between during the operative period of the scheme.
- c. Eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

- d. The assistance on cost of equipment will be eligible subject to the condition that saving in energy / water minimum by 10% of average monthly consumption of previous 12 months before audit.
- e. Even after taking all steps as mentioned above for efficient use of energy / water, if consumption is increasing with reference to increase in production then such claim will be examined separately by the committee to be constituted by SLEC.

14. Scheme 11- Assistance for raising Capital through SME Exchange

- a. Under the new guidelines of SEBI, MSME can raise equity capital through SME exchange.
- b. To encourage MSME to opt for this route, assistance will be provided under this scheme.
- c. 25% expenditure incurred on raising of fund through SME Exchange maximum to Rs 5 lakhs one time after successful raising of equity as per approved scheme by SME Exchange between during the operative period of the scheme.

However, eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

- d. Enterprise shall have to submit the application within one year from the listing date in SME Exchange.
- e. MSME status of enterprise will be considered on the date of listing in SME exchange.
- f. GVFL may take equity in enterprise which are registered with SME Exchange

15. Scheme-12: Assistance for reimbursement of CGTMSE fees

- a. Government of India has introduced instruction to financial institution to sanction Collateral free loans upto Rs.2 cr.by charging additional fee on such loans.
- b. It has been decided to extend support to MSEs under this scheme Service fees charged by Bank/ Financial institution as under will be eligible for assistance.
- c. Annual Service fees: 1 st Year-1.8% + Risk Premium
2nd Year onwards-0.85%or as amended by CGTMSE(Credit Guarantee Fund Trust for Micro and Small Enterprise) Trust/RBI from time to time.
- d. Assistance as reimbursement @ 100% annual Service fees paid to Bank/financial Institution by entrepreneur for availing of collateral free term loan under CGTMSE, for the period of five year.

Conditions:

- a. The MSEs has to apply to concerned DIC after sanctioning of the Term loan from Bank/Financial institute under the Credit Guarantee Scheme of CGTMSE within one year from the date of first disbursement of Term loan, or on or before the date of commencement of commercial production, whichever is later.
- b. The assistance will be disbursed with Interest subsidy once in a year.
- c. The service activity and trading activity will not be eligible under the scheme.
- d. The detailed standard of procedures and guidelines for giving assistance in the Credit Guarantee Scheme of CGTMSE would be provided by the MSME Commissionerate office and will be final and binding to all the concerned stakeholders.
- e. Eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

16. Scheme-13: Rehabilitation of Sick enterprise

- a. MSME Sick Industrial enterprise satisfying the criteria of Sick enterprise as per the RBI guidelines will apply to MSME Commissionerate for Sick Enterprise registration.
- b. MSME Commissioner will scrutinize the application on the basis of the balance sheets.
- c. After scrutiny of the application, sick enterprise registration will be issued.
- d. This registration issued by MSME Commissioner shall only indicate that the enterprise is sick as per RBI guideline and does not qualify for any assistance or OTS from State Government. However the sick enterprise may be assisted by banks/financial institutions as per their prevailing policy.
- e. For preparing the diagnostic report from expert/ expert agency, expenditure thereof will be reimbursed @50% cost of preparation of Draft Rehabilitation Scheme as assistance subject to maximum of Rs. 1 lakh to sick enterprise during the operative period of the scheme. However, eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

17. Scheme-14: Assistance for Power Connection charges

- 17.1 Eligibility:** MSME, located in other than GIDC/ approved industrial park area which has paid charges to distribution licensee during the operative period of the scheme, for new connection or to get additional load in case of existing



consumer (in case of expansion) or for shifting of connection or service line, will be eligible for assistance under the scheme.

17.2 Quantum of assistance: Assistance @ 35% of charges paid to distribution licenses for LT/HT service line, maximum limit up to Rs. 5 lakhs during the operative period of the scheme. Eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR.

17.3 Conditions: The enterprise shall have to apply for reimbursement within one year from the date of payment of charges to Distribution Licensee for service line.

18. Scheme-15: Assistance in Rent to MSEs

The enterprise acquiring Rented/Leased shed to set up manufacturing activities during the operative period of the scheme will be provided assistance by way of reimbursement of rent paid by it. However, eligible enterprises who have opted for this scheme as per para 7.2 of this GR, shall also be eligible for assistance towards expenditure incurred in this regard during the operative period of previous scheme till the date of issue of this GR. This will extend support to add working capital as this will result into saving of margins payable to bank/Financial Institute.

18.1 Quantum of assistance

- a. The assistance@65% of rent paid by the enterprise with maximum limit of Rs. 1,00,000/- (one lakh) Per Annum.
- b. The assistance will be provided for five years.

18.2 Conditions:

- (a) The owner of shed should have legal ownership and possession.
- (b) The manufacturing activities should be consuming electricity/power.
- (c) The assistance of rent will be given with effect from the date of rent deed or three months prior to the date of production whichever is later.
- (d) The service activity and trading activity will not be eligible under the scheme.

19. Electricity Duty: MSMEs shall be eligible to receive exemption from Electricity Duty as applicable under the Gujarat Electricity Act, 2003.

20. Change in item of production or addition of items: The manufacturing enterprise will be allowed to add new product(s) or change any of its products using



the existing plant & machinery with or without modification/addition/alteration etc., during the period for availment of incentive granted to it under this scheme, subject to approval of MSME Commissioner.

21. Exercising of option: Notwithstanding the provisions under other schemes of the State Government, an enterprise eligible under this scheme or any other sector specific incentive scheme of the State Government, may opt for either of the incentive schemes. If any enterprise is availing incentive under any other State Government scheme, it will not be eligible under this scheme, unless specifically provided.

22. State Level Empowered Committee (SLEC)

22.1 A committee consisting of following members is constituted for monitoring various MSME Schemes:

1.	Commissioner MSME	Chairperson
2.	Joint/ Deputy Secretary, Industries and Mines Department.	Member
3.	Financial Advisor, Industries and Mines Department	Member
4.	Additional Industries Commissioner	Member
5.	2 Representatives of industry association(s) as may be decided by the Chairperson of the committee	Member
6.	Joint/ Deputy Commissioner of Industries	Member Secretary

22.2 Sanctioning and disbursement Authority for assistance on proposals under various schemes will be as follows:

S. No.	Scheme	Sanctioning and Disbursing Authority
1.	Scheme 1: Assistance of Capital Investment Subsidy to Micro enterprise	General Manager – DIC (GM-DIC)
2.	Scheme 2: Assistance for Interest Subsidy to Micro, Small and Medium Enterprise	Micro, Small: GM-DIC Medium: MSME Commissioner
3.	Scheme 3: Net SGST reimbursement to Micro, Small and Medium Enterprise (MSMEs)	Micro: GM-DIC Small, Medium: MSME Commissioner
4.	Scheme 4: EPF Reimbursement to MSMEs	Micro, Small: GM-DIC Medium: MSME Commissioner

5.	Scheme 5: Assistance for Quality Certification	MSME Commissioner
6.	Scheme - 6: Financial Support to MSMEs in ZED Certification	GM – DIC
7.	Scheme-7: Assistance in implementation of Information and Communication Technology	GM – DIC
8.	Scheme -8: Assistance for Technology Acquisition	MSME Commissioner
9.	Scheme-9: Assistance for Patent Registration	MSME Commissioner
10.	Scheme-10: Assistance for saving in consumption of Energy and Water	GM – DIC
11.	Scheme 11- Assistance for raising Capital through SME Exchange	MSME Commissioner
12.	Scheme-12: Assistance for reimbursement of CGTMSE fees	GM – DIC
13.	Scheme-13: Rehabilitation of Sick enterprise	MSME Commissioner
14.	Scheme-14: Assistance for Power Connection charges	GM – DIC
15.	Scheme-15: Assistance in Rent to MSEs	GM – DIC

23. **Authority for Interpretation:** Any dispute or difference of opinion regarding the interpretation of the provisions of this resolution shall be referred to the Committee constituted under Chairmanship of Hon'ble Chief Minister as defined below, and the decision will be final and binding to all.

1.	Hon'ble Chief Minister	Chairperson
2.	Hon'ble Minister of Finance	Member
3.	Hon'ble Minister of Industries	Member
4.	Chief Secretary	Member
5.	ACS/ PS Finance Dept.	Member
6.	ACS/ PS Industries and Mines Dept.	Member
7.	ACS/ PS Forest & Environment Dept.	Member
8.	ACS/PS Labour & Employment Dept.	Member
9.	ACS/PS Energy & Petrochemicals Dept.	Member
10.	ACS/ PS Revenue Dept.	Member
11.	Industries Commissioner	Member Secretary

24. General Condition

24.1 The enterprise that has availed assistance under these schemes will not be entitled to avail benefit under any other scheme of other department of State Government for the same GFCI, unless and otherwise specified under that scheme. Enterprise can avail benefit under such schemes of Government of India, if any. However, in any case total assistance shall not exceed the actual Eligible Fixed Capital Investment (EFCI).

24.2 Any investment made by an existing MSME for renovation, modernization, rehabilitation, or rationalization will not be eligible for incentive under this resolution.

24.3 Multiple projects for same product within same premise shall be treated as a single project.

24.4 In case of breach of any one or more of the conditions of this GR, the incentives disbursed under the scheme shall be liable to be recovered as an arrear of land revenue or in any other appropriate manner the government may deem fit along with interest at the rate of eighteen per cent per annum from the date of first availment of such incentive. Further, the non disbursed incentive amount due to the eligible large industrial undertaking shall also be liable to be forfeited.

24.5 Service Enterprise will have to continue rendering services for incentive period and if it discontinues rendering services for the said period, the amount of subsidy disbursed will be recovered as arrears of land revenue together with interest at the rate of eighteen percent per annum from the date of first availment of such incentive.

24.6 For manufacturing enterprises, after completion of three years from the last date of eligible investment period, the production per annum from fourth year onwards should be atleast 50% of installed capacity. For the year when such production is less than 50% of the installed capacity, the incentive amount for such year will be reduced proportionately to the percentage of total eligible incentive for that particular year.

E.g. If the production of a unit is 45% in a particular year (i.e. 10% less than minimum required capacity of 50%), the incentive amount in that year shall also be reduced by 10% of the eligible incentives of that year.

24.7 An enterprise that has availed incentive under this scheme shall be required to remain in production continuously till the expiry of the eligible period of incentive. However, if production is discontinued for specific period due to reasons beyond the control of the management, the sanctioning authority may condone the period for which production is discontinued after due verification of details and reasons of discontinuation of production and after satisfying itself to the same.

24.8 The detailed procedures and implementation guidelines will be issued by the MSME Commissionerate in consultation with the Government for all the schemes under this resolution.

25. Budget Provision

The expenditure on this account will be met from the sanctioned grant of the respective financial year under the following budget head:

Demand No.: 49

Major Head: 2851 Village and Small Industries

Minor Head: 102 Small scale industries

Sub Head: 16 (IND – 1) Financial Assistance to Industries

(49-2851-00-102-16)

This issues with the concurrence of Finance Department vide note dated 4/10/2020 on this department file of even number.

By order and in the name of Government of Gujarat.

B.S. Mehta

(B.S. Mehta)

Joint Secretary to Government
Industries and Mines Department

Copy to:

1. Secretary to Hon'ble Governor of Gujarat*
2. Additional Chief Secretary/ Principal Secretary to Hon'ble Chief Minister
3. Personal Secretary to all Hon'ble Ministers
4. Advisor to Hon'ble Chief Minister
5. Secretary to Chief Secretary

6. Additional Chief Secretary, Finance Department
7. PS to Additional Chief Secretary, Industries and Mines Department
8. V.C & M.D., G.I.D.C., Gandhinagar
9. Industries Commissioner, Gandhinagar
10. MSME Commissioner, Gandhinagar
11. C.E.O., GIDB, Gandhinagar
12. Accountant General Rajkot/ Ahmedabad
13. Computer Cell, Industries and Mines Department
14. Select file

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Annexure A: List of Eligible Services Activities

(i)

1. Transport and logistics Services, Logistics facilities such as Container freight station Operators/Warehouses/Cold Storages etc.
2. Material Testing Centre
3. Start ups and Incubation Centre
4. HallMark certification Centres
5. Technical testing and analysis servicing
6. Maintenance and repair of machineries and equipments
7. Repair of Computers / Communication and Electronics equipments/ Household Goods
8. Maintenance and repair of Utility Projects
9. Packaging services
10. Industrial reuse / disposal services
11. Apparel/Cutting & Stitching job work (other than retail tailoring)
12. Printing, Scanning, Digitalization & Lamination
13. Weigh bridges
14. Color labs
15. Steam & Air conditioning supply
16. Environmental Services, Waste collection, treatment and disposal activities
17. Electrical, plumbing and other installation activities
18. Maintenance and repair of Motor vehicles
19. Audio Visual Services, Motion pictures, Video and Television production, Sound Recording and Music publishing activities
20. Activities of internet Access by the Operator of the wireless / Satellite infrastructure
21. Web hosting activities
22. Specialize design activities - Fashion design related to Textile/ Apparel/Jewellery/ Furniture/ Fashion goods/ Graphic design etc.
23. State Level Empowered Committee is empowered to add / delete service activities listed in this Annexure.

(ii)

1. Financial Services
2. Health Services
3. Construction related Engineering Services

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