

1.
How many industrial subsidies are there?





2.
Who provides
Industrial
Subsidies?

3. How subsidies are provided to beneficiary?





No. of Assistance under the Industrial Policy 2020 of Gujarat State

- 1. Assistance to Micro, Small, and Medium Enterprise (MSME) (Having 14 Schemes)
- 2. Dr. Babasaheb Ambedkar Udhyog Uday Yojana for SC/ST Entrepreneurs for MSME
- 3. Assistance for Startups/Innovation
- 4. Capital Subsidy to Large and Thrust Sector
- 5. Market Development Assistance to MSMEs
- 6. Assistance to MSEs for Shed developed by Private Developer
- 7. Assistance to GIDC for the development of Multi Storeyed Sheds (MSe)
- 8. Awards to MSMEs
- 9. Assistance for Environment Protection Measures

- 10. Assistance for Research & Development Activities
- 11. Assistance to Logistic Park
- 12. Assistance to Industrial Infrastructure
- 13. Financial Assistance to Industrial Parks
- 14. Assistance for Common Environment Infrastructure
- 15. Enhancement of Technical Competence and Manpower



Atmanirbhar Gujarat Scheme for assistance to:

- 1. MSMEs
- 2. Large Industries and Thurst Sector
- 3. Mega Industries



No. of Assistance to MSMEs under the AATMANIRBHAR GUJARAT SCHEMES 2022

- 1. Assistance of Capital Investment Subsidy to Micro Enterprises
- 2. Assistance for Interest Subsidy to Micro, Small and Medium Enterprises
- 3. Net SGST reimbursement to Micro, Small and Medium Manufacturing Enterprises (MSMEs)
- 4. EPF Reimbursement to MSMEs
- 5. Assistance for Quality Certification
- 6. Assistance for ERP
- 7. Financial Support to MSMEs in ZED Certificate
- 8. Assistance in Implementation of Information and Communication Technology
- 9. Assistance for Technology Acquisition

- **10. Assistance for Patent Registration**
- 11. Assistance for Saving in consumption of Energy and Water
- 12. Assistance for raising Capital through SME Exchange
- **13.** Assistance for reimbursement of CGTMSE fees
- 14. Rehabilitation of Sick enterprises
- 15. Assistance for Power Connection charge
- **16. Assistance in Rent to MSEs**

MSME Classification							
Manufac	Manufacturing & Service Enterprise						
Criteria Micro Small Medium							
Investment in Plant & Machinery or Equipment does not exceed	Rs. 1 Crore	Rs. 10 crore	Rs. 50 crore				
	and and		and				
Annual Turnover does not exceed	Rs. 5 Crore	Rs. 50 crore	Rs. 250 crore				

Lets Discuss Imp. Condition sand Criteria under Scheme 1,2,3, and 4

- 1. Capital Subsidy is only for Micro Enterprises
- 2. Credit Linked (Scheme 1 & 2 Only)
- 3. Applicable to New or for Expansion Unit (For Expansion GFCI More than 50% and out of which 60% in P&M, Increase Installed Capacity by 50% if Existing Product and has reached 75% in any of the preceding three years)
- 4. GFCI (Gross Fixed Capital Investment)
- 5. Diversification (GFCI 25% Micro & Small, GFCI 50% Medium, 60% in P&M)
- 6. Time Limit for Application

Taluka Category 3 Taluka Taluka and Municipal **Particulars** Category 1 Category 2 **Corporation Areas Capital Subsidy** Only То Manufacturing Ratio of Incentive on Micro 25% 20% 10% Enterprises **Disbursed Term Loan Amount Maximum Limit** 35 Lakhs 30 Lakhs 10 Lakhs

MSME
Interest Subsidy
To both
Manufacturing
and Service
Sector

Particulars	Taluka Category 1	Taluka Category 2	Taluka Category 3 and Municipal Corporation Areas
Ratio of Incentive on Disbursed Term Loan Amount	7%	6%	5%
Maximum Limit (Per Annum)	35 Lakhs	30 Lakhs	25 Lakhs
Tenure	7 Years	6 Years	5 Years

INTEREST SUBSIDY on Renewable Power Plant for Captive Consumption

MSME Solar Power Plant Subsidy



MSME NET SGST Reimbursement

Particulars	Taluka Category 1	Taluka Category 2	Taluka Category 3 and Municipal Corporation Areas
% Net SGST	100%	90%	80%
Maximum Limit (Per Annum)	7.5 % of EFCI	6.5 % of EFCI	5 % of EFCI
Tenure	10 Years	10 Years	10 Years

MSME EPF Reimbursement 100% of Employer's Statutory Contribution under EPF for all the new employees working in Gujarat for a Maximum Period of 10 Years

With the ceiling of Incentive amount per Employee will be 12% of the Employee's basic salary plus DA and retaining allowance or Rs. 1800/- pm which ever is lower

New Scheme / Old Scheme Clarification

- 1. What if the MSMEs have commenced commercial production already? Are they still eligible to apply under the Aatmanirbhar Gujarat Scheme?
- 2. What if the MSMEs that have applied under the previous scheme but not commenced production before the date of issue of the new GR of the Aatmanirbhar Gujarat Scheme?
- 3. Whether a new applicant has the option to choose either of the new or old schemes?

Other Important Conditions for Capital Subsidy, Interest Subsidy, and Net SGST Reimbursement

- 1. TL Sanction Letter (Scheme 1 & 2)
- 2. NBFC (Scheme 1 & 2)
- 3. To Obtain GPCB Approvals CTE and CTO
- 4. Employ at least 85% of the workers from Local
- 5. Shop and Establishment Certificate (Within Municipal Area)



Scheme – 5: Assistance for Quality Certification

50% of fee payable to certifications and 50% cost of testing equipment and machinery required for that certification totaling up to maximum amount of Rs.10.00 lakh



Scheme – 6 : Assistance for ERP

65% of the capital cost for installing the ERP and Maximum to Rs. 100000/-



Scheme – 7 : Assistance for ZED Certification

50% of all Expenses and maximum to Rs. 50,000/-



Scheme – 8 : Assistance for Implementation of Information and Communication Technology (ICT) 65% of the Capital Expenditure related to ICT facilities, and maximum up to Rs. 5,00,000/-



Scheme – 9: Assistance for Technology Acquisition

65% of the cost and maximum to Rs. 50 lakh



Scheme – 10 : Assistance for Patent Registration

Assistance of 75% of cost incurred and maximum to Rs.25 lakh



Scheme – 11 : Assistance for saving in consumption of Energy and Water

1. 75% cost of energy/water Audit and maximum to Rs. 50,000/-

2. 25% of cost of equipment recommended by the Auditing authority subject to maximum Rs. 20 lakhs



Scheme – 12 : Assistance for raising Capital through SME Exchange 25% expenditure incurred on raising of fund maximum to Rs 5 lakhs



Scheme – 13 : Assistance for reimbursement of CGTMSE fees

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 years.



Scheme – 14: Rehabilitation of Sick enterprises For preparing the diagnostic report from expert/ expert agency and 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.



Scheme – 15: Assistance for Power Connection charges

Assistance @ 35% of charges paid for LT/HT service line, maximum limit up to Rs. 5 lakhs.



Scheme – 16 : Assistance of Rent to MSEs

The assistance @ 65% of rent paid by the enterprise with maximum limit of Rs. 1,00,000/- (one lakh) Per Annum.



No. of Assistance to Large Industries and Thrust Sector under the AATMANIRBHAR GUJARAT SCHEME 2022

- 1. Assistance of Interest Subsidy
- 2. Net SGST reimbursement
- 3. EPF Reimbursement

Scheme of Assistance to Large Industries and Thrust Sector

1. Applicable to New or for Expansion Unit (For Expansion GFCI More than 50% and out of which 60% in P&M, Increase Installed Capacity by 50% if Existing Product and has reached 75% in any of the preceding three years)



- 2. Diversification (GFCI 50%, P&M 60%)
- 3. GFCI

Scheme of Assistance to Large Industries and Thrust Sector

Eligible Investment Period: The consideration of investment period for eligible fixed capital investment will be, for the assets acquired and paid from 05/10/2022 and during the extended time period from DOCP as specified below:



Sr. No	Investment	Period
1	Gross Capital Investment upto 1000 cr.	18 months from DOCP
2	Gross Capital Investment above 1000 cr.	24 months from DOCP

Interest Subsidy

Particulars	Taluka Category 1		Taluka Category 2		Taluka Category 3	
	General	Thrust	General	Thrust	General	Thrust
Ratio of Incentive on Disbursed Term Loan Amount	7%		7%		7%	
EFCI (Per Annum)	1%	1.2%	1%		1%	
Tenure	10 Years		8 Years	10 Years	6 Years	8 Years

NET SGST Reimbursement

Particulars	Taluka Category 1		Taluka Category 2		Taluka Category 3	
	General	Thrust	General	Thrust	General	Thrust
	Sector	Sector	Sector	Sector	Sector	Sector
% Net SGST	100%		90%		80%	
EFCI (Per Annum)	7.5 %	8%	6.5 %	7%	5 %	5.5%
Tenure	10 Years		10 Years		10 Years	

100% of Employer's Statutory Contribution under EPF for all the new employees working in Gujarat for a Maximum Period of 10 Years

EPF Reimbursement

With the ceiling of Incentive amount per Employee will be 12% of the Employee's basic salary plus DA and retaining allowance or Rs. 1800/- pm which ever is lower

New Scheme / Old Scheme Clarification

- 1. What if the Large Industrial undertakings or SMEs have commenced commercial production already? Are they still eligible to apply under the Aatmanirbhar Gujarat Scheme?
- 2. What if the Large Industrial undertakings have applied under the previous scheme but not commenced production before the date of issue of the new GR of the Aatmanirbhar Gujarat Scheme?
- 3. Whether a new applicant has the option to choose either of the new or old schemes?



No. of Assistance to Mega Industries under the AATMANIRBHAR GUJARAT SCHEME 2022

- 1. Assistance of Interest Subsidy
- 2. Net SGST reimbursement
- 3. Reimbursement of SGST paid on capital goods
- 4. EPF Reimbursement
- 5. Reimbursement of Stamp Duty and Registration fess

Scheme of Assistance to Mega Industries

Eligible Investment Period: The consideration of investment period for eligible fixed capital investment will be, for the assets acquired and paid from 05/10/2022 and during the extended time period from DOCP as specified below:



Sr. No	Investment	Period
1	Gross Fixed Capital Investment upto 5,000 cr.	24 months from DOCP
2	Gross Fixed Capital Investment upto 10,000 cr.	36 months from DOCP
3	Gross Fixed Capital Investment upto 50,000 cr.	48 months from DOCP
4	Gross Fixed Capital Investment upto 1,00,000 cr.	60 months from DOCP
5	Gross Fixed Capital Investment upto 1,50,000 cr.	72 months from DOCP
6	Gross Fixed Capital Investment above 1,50,000 cr.	96 months from DOCP

Interest Subsidy

7% on Term Loan subject to maximum of 1.2% of Eligible Fixed Capital Investment p.a. for 10 years.

Net SGST Reimbursement 100% of Net SGST subject to maximum 0.9% of EFCI p.a. for 20 years.

Reimbursement of SGST paid on capital goods

100% reimbursement of SGST paid on capital goods within the investment period, to the extent input tax credit is admissible under Gujarat GST Act 2017.

100% of Employer's Statutory Contribution under EPF for all the new employees working in Gujarat for a Maximum Period of 10 Years

EPF Reimbursement

With the ceiling of Incentive amount per Employee will be 12% of the Employee's basic salary plus DA and retaining allowance or Rs. 1800/- pm which ever is lower

Reimbursement of Stamp Duty and Registration fees 100% reimbursement of stamp duty and registration charges paid to Government of Gujarat for purchase and/or lease of land meant for the project.

New Scheme / Old Scheme Clarification

- 1. What if the Mega Industrial units have commenced commercial production already? Are they still eligible to apply under the Aatmanirbhar Gujarat Scheme?
- 2. What if the Mega Industrial units have applied under the previous scheme but not commenced production before the date of issue of the new GR of the Aatmanirbhar Gujarat Scheme?
- 3. Whether a new applicant has the option to choose either of the new or old schemes?

ABC Ltd (Manufacturing Industry) is a registered MSME under "Micro" Category and located in Taluka Category II. The Gross Fixed Capital Investment (GFCI) is Rs. 30 Lacs. It has incurred the following expenses:

- 1. Information and Communication Technology (ICT): Rs. 10 Lacs
- 2. Rent: Rs. 1.8 Lacs per annum
- 3. Patent Registration: Rs. 2 Lacs
- 4. ERP Expense: Rs. 1.5 Lacs

Scenario 1: All the capital as well as other expenditure was incurred using "Owned Funds".

Compute Benefits available.

Particulars	Computed Benefit	Maximum Limit	Available Benefit
Capital Subsidy	-	-	-
ICT	6.5 Lacs (10L * 65%)	5 Lacs	5 Lacs
Rent	5.85 Lacs (1.8L*5 years *65%)	5 Lacs (1L * 5years)	5 Lacs
Patent	1.5 Lacs (2L *75%)	25 Lacs	1.5 Lacs
ERP	0.98 Lac (1.5L * 65%)	1 Lac	o.98 Lac
Total			12.48 Lacs

ABC Ltd (Manufacturing Industry) is a registered MSME under "**Small**" Category and located in Taluka Category II. The Gross Fixed Capital Investment (**GFCI**) is Rs. 300 Lacs. It has incurred the following expenses:

- 1. Information and Communication Technology (ICT): Rs. 10 Lacs
- 2. Rent: Rs. 1.8 Lacs per annum
- 3. Patent Registration: Rs. 2 Lacs
- 4. ERP Expense: Rs. 1.5 Lacs

Scenario 2:

Out of GFCI of Rs. 300 Lacs, Rs. 225 Lacs were raised as a 5 year 9% Term Loan from a Nationalised Bank and the rest was from owned funds.

Compute Benefits available.

Subsidy	Computed Benefit	Maximum Limit	Available Benefit
Capital Subsidy	-	-	-
Interest Subsidy	35.99 Lacs (6% as computed)	18o Lacs (3oL/p.a. * 6yrs)	35.99 Lacs
ICT	6.5 Lacs (10L *65%)	5 Lacs	5 Lacs
Rent	5.85 Lacs (1.8L*5 years *65%)	5 Lacs (1L * 5years)	5 Lacs
Patent	1.5 Lacs (2L *75%)	25 Lacs	1.5 Lacs
ERP	o.98 Lac (1.5L * 65%)	1 Lac	o.98 Lac
Total			48.47Lacs



- 1. New Unit
- 2. Expansion (GFCI 25%, Inst.Cap reached 75% in Last 2yrs.)
- 3. Forward and Backward Integration (GFCI 25%, Inst.Cap reached 75% in Last 2yrs.)
- 4. GFCI (Building + P& M + Others)





- Weaving, including preparatory (excluding Woven Sacks)
- Knitting
- Dyeing and/or Printing (Processing)
- Machine Carpeting
- Technical Textile (excluding woven sacks in any form of packtech)
- Made-ups (Made-ups means an article manufactured and/or stitched from any type of cloth, but does not include garment)
- In case of composite unit, activities excluding ginning, spinning, garments and apparel.
- •All other activities of Textile Value Chain Crimping, Twisting, Texturing, Thread, Sizing, Winding, Machine Embroidery.



- Ginning
- Spinning
- Garment and Apparel (Eligible under separate policy)
- Enterprise located in Special Economic Zone



- Interest Subsidy
- Power Tariff Subsidy
- Assistance for Energy and Water Conversation and Environment Compliances
- Assistance for Technology Acquisition and Up gradation
- Support for Establishment of Textile Park

Interest Subsidy

Category	No of Employee	Interest Subsidy
MSME		6%
	Providing direct employment up to 100 persons	4%
	Providing direct employment to more than 100 and up to 200 persons	4.5%
Large Enterprise	Providing direct employment to more than 200 and up to 500 persons	5%
	Providing direct employment to more than 500 persons	6%

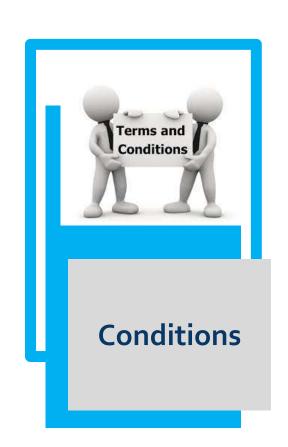
Power Tariff Subsidy

Weaving Activity:

Power Tariff Subsidy of Rs 3 per billed unit (Kwh) having LT power connection and Rs. 2 per billed unit (Kwh) having HT power connection.

Other Eligible Activities:

Rs. 2 per billed unit (Kwh) to enterprise having either LT connection or HT connection.



- 1. Period of Eligibility 5 years from the date of commencement of commercial production.
- 2. Availed term loan from commercial/ cooperative bank or Financial Institution approved by RBI.
- 3. Required Sub-Meter for Expansion or forward/backward integration



Electricity Duty (Charges) Exemption Schemes

- Applicable to New Unit or Additional Unit
- To be eligible for the Additional Unit Capital Investment should be more than the 50% of Existing Investment.
- Electricity Duty Exemption is Available till 5 Years from DOCP, In case of LT 10% and in case of HT 15%.
- To avail full 5 years duty benefits the applications it should submitted within 90 days from the date of Commercial Production.
- Application need to be done @ https://ceiced.gujarat.gov.in/



Operative Period: 07/02/2022 to 31/03/2027



IMP Schemes

- CAPEX-OPEX Model
- 2. Special Incentives for IT/ITeS Units
- 3. Facilitating Infrastructure

Other Schemes

- 1. Incentives for supporting 'Work from Home'
- 2. Skill Enhancement/Development
- 3. IT City / Township
- 4. Facilitating Cloud Ecosystem Support for Cable Landing Station (CLS)
- 5. Data Centers
- 6. Support for R&D
- 7. Non-Fiscal Incentives

- 1. New Unit
- 2. Expansion Unit (Head Count by 50% or 1000 employees)
- 3. Eligible Capex Expenditure
- 4. Eligible Unit
- 5. GFCI



Eligible Opex Expenditure:

- Bandwidth expenditure
- Cloud rental expenditure
- Power tariff expenditure
- Lease Rental Expenditure
- Patent Expenditure



CAPEX-OPEX
Model

Sr. No.	Incentive Category	Description of Support
1	Category-I GFCI less than INR 250 Cr.	 CAPEX Support: One-time CAPEX support of up to 25 % of the eligible CAPEX expenditure subject to a maximum ceiling of INR 50 Cr. The disbursement will be done in twenty (20) equal quarterly installments. OPEX Support: up to 15 per cent of the annual eligible OPEX expenditure subject to a maximum ceiling of INR 20 Cr. per year for a period of five years from the date of eligibility disbursement will be done in quarterly instalments

CAPEX-OPEX
Model

Sr. No.	Incentive Category	Description of Support
2	Category II (Mega Projects) – GFCI more than or equal to INR 250 Cr. or project generating more than or equal to 2,000 direct IT employment on its payroll	 CAPEX Support: One-time CAPEX support of up to 25 % of the eligible CAPEX expenditure subject to a maximum ceiling of INR 200 Cr. The disbursement will be done in twenty (20) equal quarterly installments. OPEX Support: up to 15 per cent of the annual eligible OPEX expenditure subject to a maximum ceiling of INR 40 Cr. per year for a period of five years from the date of eligibility disbursement will be done in quarterly instalments

Special
Incentives for
IT/ITeS Units

Sr. No.	Incentive Category	Description of Support
1	Employment Generation Incentive (EGI)	 One time Support 50 % of one month's CTC up to INR 50,000 per male and INR 60,000 per female employee for Eligible IT I ITeS units.
2	Interest Assistance	 Interest subsidy at 7 per cent on term loan or the actual interest paid, whichever is lower with a ceiling of INR 1 Cr. per annum. Incentive on an annual basis for a maximum period of five years from the date of start of actual interest repayment.

Special
Incentives for
IT/ITeS Units

Sr. No.	Incentive Category	Description of Support
3	Atmanirbhar Gujarat Rojgar Sahay (Incentive for 5 years)	 100 % and 75% of employer's statutory contribution under EPF amount paid in case of Female Employees & Male Employees respectively. Max Limit per employee will be 12 % of the employee's basic salary plus applicable Dearness Allowance (DA) and retaining allowance.
4	Electricity Duty Incentive (EDI) (Incentive for 5Years)	 Reimbursement of Electricity duty paid to the Government of Gujarat for a period of five years from the date of start of commercial operations or in-principle approval, whichever is later.

Facilitating
Infrastructure

Monthly Rental Support to IT and ITeS	Period	Fiscal Incentive Limit per seat per month (INR)
50% of Month Rent	First Two Years	10000
25 % of Monthly Rent	Three to Five Years	5000





- 1. Capital Assistance
- 2. Stamp Duty and Registration Fees
- 3. Interest Assistance
- 4. Logistics Subsidy
- 5. Incentives on Power tariff and Electricity Duty
- 6. Atmanirbhar Gujarat Rojgar Sahay

Electronics Policy (2022-28)

Capital
Assistance

Sr. Scale of Investment No

Description of Support

Eligible CAPEX less than or Up to 20% of the Eligible CAPEX subject to ceiling equal to INR 1,000 Cr. of INR 200 Cr.

2 Eligible CAPEX more than INR 1,000 Cr.

- Up to 20% of the Eligible CAPEX subject to ceiling of INR 200 cr. for the Eligible CAPEX incurred up to INR 1,000 Cr
- Up to 15% of the incremental Eligible CAPEX above INR 1,000 Cr.



All eligible units will be entitled for one time reimbursement of 100% of Stamp Duty and Registration Fee paid to the Government for lease/sale/transfer of land.

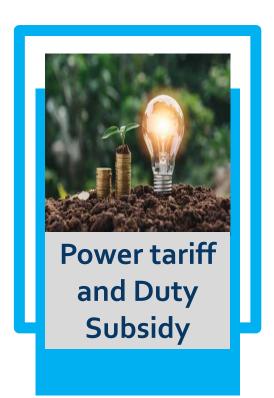


7 % or the actual interest paid, which ever is lower, with a ceiling of INR 10 Cr. per annum.

Electronic Policy (2022-28)

Logistics Subsidy

Category	Description of Support
Support for Logistics (Imports)	Up to 25% of the freight charges, subject to a maximum ceiling of INR 5 Cr. per year for 5 years
One-time support for relocating their manufacturing operations from outside India to Gujarat	Reimbursement of 50% of the cost incurred on import of manufacturing equipment up to a maximum ceiling of INR 5 Cr.



- A. Power tariff subsidy of INR 1/unit for a period of five years.
- B. Exemption from paying Electricity Duty for 5 years.



- 100 % and 75% of employer's statutory contribution under EPF amount paid in case of Female Employees & Male Employees respectively .
- Max Limit per employee will be 12 % of the employee's basic salary plus applicable Dearness Allowance (DA) and retaining allowance.



Important Links

Website	URL
MSME Government of Gujarat Portal	https://msmec.gujarat.gov.in
Office of the Industry Commissioner for accessing various Incentive Scheme	https://ic.gujarat.gov.in/
The Investor Facilitation Portal (IFP) - Single Point Interface of the Government of Gujarat to facilitate Investor	https://ifp.gujarat.gov.in/
Mistry of Micro, Small and Medium Enterprises, Government of India	https://msme.gov.in
Department of Science and Technology, Gujarat	https://dst.gujarat.gov.in





CA Abhishek Jain

Contact: 9825359575

Email: abhijain.ca@gmail.com