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1. Background

As India completes 75 years of Independence with “Azadi ka Amrit Mahotsav” and the Nation gears towards the next milestone of 100 years of Independence in 2047, Hon’ble Prime Minister of India has laid down a clear vision of an Aatmanirbhar Bharat, a developed country. This envisions an India with a reduced import dependence, energy independence and at the same time strategically placed in global supply chains. In the current global geopolitical scenario and at a time when the world recovers from the aftershocks of the pandemic and experiences the re-alignment of global supply chains, India has emerged as a bright spot by being amongst the fastest growing economies in the world. With this background, it is opportune time to support industries to attract investments and support local manufacturing and thus accelerate this growth and create employment opportunities in the state.

In order to facilitate the same, the Government of India has been undertaking various initiatives. These include undertaking reforms for ease of doing business, reduction in compliance norms, relaxation of FDI limits etc. To enable companies to achieve economies of scale and facilitate building of “Global champions”, the Central Government has also rolled out PLI schemes for a range of sectors. This is supported by an integrated infrastructure development plan under the PM Gati Shakti National Masterplan for multi-modal connectivity envisioning seamless connectivity for movement of people, goods and services from one mode of transport to another.

Being an entrepreneurial society, Gujarat is the most industrialized state in India, with the highest contribution to the national manufacturing output. Over time, the State has emerged as a national leader in several key sectors. Gujarat's well-developed business ecosystem enabled by vast infrastructure and driven by the investment-friendly policies of the Government has attracted several large-scale investments across sectors.

Given the fact that Gujarat, a land of entrepreneurship, 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.**

In order to facilitate this vision, it is imperative to give incremental support to industries and particular thrust areas, which shall be critical for India in the coming years. It is equally important to encourage industries to transition towards green manufacturing practices and adopt decarbonization initiatives to remain globally competitive and also align with the “Panchamrut” principles laid down by the Hon'ble Prime Minister of India at COP 26 summit. To achieve this objective, the Government of Gujarat has come up with the **Aatmanirbhar**

Gujarat Schemes for assistance to industries. The “Aatmanirbhar Gujarat Schemes for incentives to industries” shall go on to encourage budding entrepreneurs to fulfill their entrepreneurial ambitions not only by de-risking their investments by way of increased incentives, but also, encouraging youth to innovate and become job creators, thereby creating large scale quality job opportunities. The employment linked incentives to MSMEs, Large and Mega enterprises shall also facilitate formalization of industrial workforce of Gujarat. It will also create enhanced opportunities for development of new manufacturing sectors and their ancillary ecosystem in Gujarat that shall set global examples in manufacturing.

2. Aatmanirbhar Gujarat Scheme for assistance to MSMEs

Micro, small, and medium-sized enterprises (MSMEs) have been key contributors to Gujarat’s inclusive growth and generation of sustainable employment opportunities, particularly in semi-urban and rural India. Over the time, MSMEs have moved up the value chain from manufacturing of simple goods to sophisticated products. MSMEs also play a central role in nation building by generating large employment opportunities for youth as well as through industrialization of rural & backward areas, and thus, reducing regional imbalances, assuring more equitable distribution of national income and wealth. However, MSMEs function in a highly competitive environment and require an enabling ecosystem to sustain growth. In order to enable Gujarat’s MSMEs to be globally competitive, boost value addition and also encourage youth to pursue their entrepreneurial ambitions, MSMEs shall be eligible for following benefits under the Aatmanirbhar Gujarat Scheme for assistance to MSMEs:

2.1 Micro, Small and Medium Enterprises:

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, as the case may be from appropriate authority.

2.2 Assistance of Capital Investment Subsidy to Micro enterprises

Micro enterprises shall be eligible for capital investment subsidy based on the category of taluka:

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	10% of term loan amount upto INR 10 lakhs.

2.3 Assistance for Interest Subsidy to Micro, Small and Medium Enterprises in manufacturing sector:

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	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. 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.

2.4 Net SGST reimbursement to Micro, Small and Medium Enterprise (MSMEs)

MSMEs shall 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	80% of net SGST for 10 years upto 5% of eFCI p.a.

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

2.5 EPF Reimbursement to MSMEs

MSMEs 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 period of 10 years from DoCP. The reimbursement shall be made subject to following criteria:

- 100% of employer's statutory contribution under EPF amount paid, and
- 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.

2.6 Other Schemes for comprehensive support to MSMEs:

The MSMEs will continue to avail support under following schemes:

- Interest Subsidy to Service Sector MSMEs
- Assistance for Quality Certification
- Financial Support to MSMEs in ZED Certification
- Assistance in implementation of Information and Communication Technology
- Assistance for Technology Acquisition
- Assistance for Patent Registration
- Assistance for saving in consumption of Energy and Water
- Assistance for raising Capital through SME Exchange
- Assistance for reimbursement of CGTMSE fees
- Rehabilitation of Sick enterprise
- Assistance for Power Connection charges
- Assistance in Rent to MSEs

3. Aatmanirbhar Gujarat Scheme for assistance to Large Industries and Thrust Sector

Large enterprises play an important role in industrial development of a region. Such industries help in developing an ecosystem around them and thereby having a multiplier effect on employment opportunities. Gujarat's well-developed business ecosystem enabled by vast infrastructure and driven by the investment-friendly policies of the Government has attracted several large-scale investments across sectors. Such investments have had a multiplier effect on the state and national economy as well as employment generation. These large-scale investments have also created substantial opportunities for MSMEs in the state for providing forward and backward linkages. Since India is one of the fastest growing economies in the world, it is opportune time to support such large industries to attract such investments and support local manufacturing. Hence, manufacturing enterprises with fixed capital investment in Plant and Machinery above INR 50 crore shall be eligible for following incentives:

3.1 Thrust manufacturing sectors:

S. No.	Sector	Sub-sectors
1	Green Energy ecosystem	Green Hydrogen/ Green Ammonia
		Electrolyser
		Renewable energy equipment
		Battery Storage
2	Mobility	Fuel Cells
		Aviation related manufacturing
		Electric Vehicles
		Auto or Auto Components
3	Capital Equipment	Space related manufacturing
		Electrical machinery and/or equipment
		Industrial Machinery and/or equipment
4	Metals and Minerals	Telecom related machinery and/or equipment
		Metals
		Mineral processing
5	Textile & Apparel	Ceramics
		Technical Textiles
6	Sustainability	Textile, Apparel & Garments
		Municipal solid/liquid waste recycling equipment manufacturing
7	Agro Processing	Agro and Food Processing
8	Gems and Jewellery	Gems and Jewellery including Lab Grown Diamonds
9	Healthcare	Pharmaceuticals and/or APIs
		Medical devices

3.2 Assistance of Interest Subsidy

Interest subsidy will be given as per following rates

Category of taluka	General	Thrust
Category 1	Interest subsidy @ 7% on Term Loan for 10 years upto 1% of eFCI p.a.	Interest subsidy @ 7% on Term Loan for 10 years upto 1.2% of eFCI p.a.
Category 2	Interest subsidy @ 7% on Term Loan for 8 years upto 1% of eFCI p.a.	Interest subsidy @ 7% on Term Loan for 10 years upto 1% of eFCI p.a.
Category 3	Interest subsidy @ 7% on Term Loan for 6 years upto 1% of eFCI p.a.	Interest subsidy @ 7% on Term Loan for 8 years upto 1% of eFCI p.a.

In any case, the industrial undertaking shall have to bear a minimum 2% interest levied on term loan by the financial institution.

3.3 Net SGST reimbursement

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

Category of taluka	General Sector	Thrust Sector
Category 1	100% of net SGST for 10 years upto 7.5% of eFCI p.a.	100% of net SGST for 10 years upto 8% of eFCI p.a.
Category 2	90% of net SGST for 10 years upto 6.5% of eFCI p.a.	90% of net SGST for 10 years upto 7% of eFCI p.a.
Category 3	80% of net SGST for 10 years upto 5% of eFCI p.a.	80% of net SGST for 10 years upto 5.5% of eFCI p.a.

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

3.4 EPF Reimbursement

Eligible large industrial undertakings 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 period of 10 years from DoCP. 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

4. Aatmanirbhar Gujarat Scheme for assistance to Mega Industries

In order to be globally competitive, it is important to set up mega scale manufacturing enterprises and build on economies of scale. These Mega industries act as anchor units and enable building up of an entire ecosystem of MSMEs & large industries around them along with development of allied services. Such mega scale industries would also help in increased research & development in such sectors. With this view, the Government of Gujarat has launched the Aatmanirbhar Gujarat Scheme for assistance to Mega Industries.

4.1 Mega Industrial Unit

The Mega Industrial Unit must fulfil following criteria:

1. It must be a manufacturing unit, and
2. Investment in Plant & machinery of at least **INR 2,500 crore, and**
3. Provides **direct employment to atleast 2,500 persons, and**
4. **Must belong to one of the thrust sectors** defined in the policy

4.2 Thrust manufacturing sectors:

S. No.	Sector	Sub-sectors
1	Green Energy ecosystem	Green Hydrogen/ Green Ammonia
		Electrolyser
		Renewable energy equipment
		Battery Storage
2	Mobility	Aviation related manufacturing
		Electric Vehicles
		Auto or Auto Components
		Space related manufacturing
3	Capital Equipment	Electrical machinery and/or equipment
		Industrial Machinery and/or equipment
		Telecom related machinery and/or equipment
4	Metals and Minerals	Metals
		Mineral processing
		Ceramics
5	Textile & Apparel	Technical Textiles
		Textile, Apparel & Garments
6	Sustainability	Municipal solid/liquid waste recycling equipment manufacturing
7	Agro Processing	Agro and Food Processing

8	Gems and Jewellery	Gems and Jewellery including Lab Grown Diamonds
9	Chemicals	Chemicals
10	Healthcare	Pharmaceuticals and/or APIs
		Medical devices

4.3 Assistance of Interest Subsidy to Mega Industrial Units

Interest subsidy will be eligible at @7% on Term Loan subject to maximum of 1.2% of Eligible Fixed Capital Investment p.a for 10 years

In any case, the Mega industrial unit shall have to bear a minimum 2% interest levied on term loan by the financial institution.

4.4 Net SGST reimbursement to Mega Industrial Units

The eligible projects will be eligible for reimbursement of net SGST at 100% of net SGST subject to maximum 0.9% of eFCI p.a. for 20 years.

The eligible period of 20 years shall be from the date of commencement of commercial production.

4.5 Reimbursement of SGST on capital goods

Eligible Mega industrial units will be eligible for 100% reimbursement of Input SGST paid on capital goods to the extent input tax credit is admissible under Gujarat GST Act 2017.

The reimbursement shall be provided in twenty equal annual instalments.

4.6 EPF Reimbursement

Eligible Mega industrial units 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 period of 10 years from DoCP. 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 1,800 per month, whichever is lower

4.7 Reimbursement of Stamp Duty and registration fees

Eligible Mega industrial units shall be eligible to claim 100% reimbursement of stamp duty and registration charges paid to Government of Gujarat for purchase and/or lease of land meant for the project.

MSME, Large and Mega Industries shall be eligible to receive exemption from Electricity Duty as applicable under the Gujarat Electricity Act 2003.

The Aatmanirbhar Gujarat schemes for assistance to industries is expected to transform the Gujarat's manufacturing landscape in the coming years. The scheme is expected to attract an investment of ~INR 12.5 lakh crores generating employment opportunities for over 15 lakh people in Gujarat.

For detailed information on “Aatmanirbhar Gujarat Schemes for assistance to industries”, please refer to <http://www.imd-gujarat.gov.in> or <https://ic.gujarat.gov.in>



Aatmanirbhar Gujarat Se Aatmanirbhar Bharat



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