

Industries and Mines Department, Government of Gujarat

Operative Period: 05/10/2022 to 04/10/2027

Background

- The Gujarat Government with an aim to create an Aatmanirbhar Gujarat and to utilize the potential of the State's manufacturing & entrepreneurial capabilities has taken the imperative step through the introduction of Aatmanirbhar Gujarat Schemes (AGS) -2022 for assistance to industries.
- The scheme will contribute by way of creating opportunities for development of new manufacturing sectors & their ancillary ecosystem in Gujarat and setting a new benchmark in global manufacturing scenario.
- The scheme also provides employment linked incentives to Large entities which will facilitate formalization of industrial workforce of Gujarat.

Eligible Entities

- The industrial undertaking having existing investment in plant & machinery of more than ₹ 50 crores (Large Entity) can apply under this scheme.
- An industrial undertaking can avail incentives under this scheme both as a new industrial unit and/or an expansion unit and/or a diversification unit which commences commercial production during the operative period of the scheme.
- Higher incentives are provided to thrust sectors entities (the thrust sectors are mentioned below).
- The overall eligible Fixed Capital Investment (both for new unit as well as expansion unit) under the scheme shall be capped at ₹2,500 crores for the purpose of incentives.
- An industrial undertaking shall be required to employ persons domiciled in Gujarat to extent of at least 85% of its total no. of employees and employment of persons in managerial and supervisor capacity shall not be less than 60% of no. of persons employed in managerial and supervisory capacity.

Thrust Sectors

- | | | |
|----------------------------|-----------------------|----------------------|
| ➤ Green Energy Ecosystems | ➤ Metal and Minerals | ➤ Agro Processing |
| ➤ Mobility | ➤ Textile and Apparel | ➤ Gems and Jewellery |
| ➤ Capital Equipment | ➤ Sustainability | ➤ Healthcare |

Thrust sectors are the sectors having most potential and needs additional support to make them viable for global competitiveness.

Eligible Investment

- Eligible Fixed Capital Investment (eFCI) = New Building + Other Construction + Plant & Machinery + Project related Infrastructure*.
- Fixed capital investment acquired and paid for during the eligible investment period shall form part of eFCI.
- Eligible Investment Period will be from the date of issue of this GR i.e., 05/10/2022 and up to the eligible extended time period as follows:
 - Fixed Capital investment (including land) up to INR 1000 crore – up to 18 Months from Date of Commercial Production
 - Fixed Capital Investment (including land) above INR 1000 crore – up to 24 Months from Date of Commercial Production
- For deciding final eligible cost, Fixed Capital Investment (including land) made in the project or the cost appraised by the bank or financial institution, whichever is lower, will be considered.

*Note I: Expenditure for Project related infrastructure up to 20% only shall be considered for inclusion in the final eligible fixed capital investment.

Note II: The detailed description of eligible fixed capital investment is provided in the government resolution & scheme guidelines

Note III: . Any entity applying under the AGS 2022 cannot avail the benefits or assistance of any other Gujarat government scheme for the proposed project.



Sr. No	Incentives	Large Industries		Claim of Incentive
		General Sectors	Thrust Sectors	
1	Interest Subsidy: Category 1* Taluka	7% on Term loan for 10 years Max. - 1% of eFCI per annum	7% on Term loan for 10 years Max. - 1.2 % of eFCI per annum	Annual
	Category 2* Taluka	7% of Term loan for 8 years Max. - 1% of eFCI per annum	7% on Term Loan for 10 years Max. - 1% of eFCI per annum	
	Category 3* Taluka	7% on Term Loan for 6 years Max. - 1% of eFCI per annum	7% on Term Loan for 8 years Max. - 1% of eFCI per annum	
2	Employees' Provident Fund (EPF) Reimbursement	Reimbursement of EPF contribution by the entity for new / incremental employment generated during the operative period of the scheme. Reimbursement will be provided for up to 10 years from the date of commencement of commercial production.		Quarterly/Half yearly/Annual Basis
3	Net SGST Reimbursement Category 1* Taluka	100% Net SGST paid for 10 years Max. - 7.5% of eFCI per annum.	100% Net SGST paid for 10 years Max. - 8% of eFCI per annum.	Quarterly/Half yearly/Annual Basis
	Category 2* Taluka	90% Net SGST for 10 years Max. - 6.5% of eFCI per annum	90% Net SGST for 10 years Max. - 7% of eFCI per annum	
	Category 3* Taluka	80% Net SGST for 10 years Max. - 5% of eFCI p.a.	80% Net SGST for 10 years Max. - 5.5% of eFCI p.a.	
4	Electricity Duty	Large Industries shall be eligible to receive exemption from Electricity Duty as applicable under the Gujarat Electricity Act 2003.		—

Note: i. *The classification of categories of talukas is specified in the Government Resolution (GR) number MIS-102020-347965-I, dated 2/11/2020

Note. ii. The claim and disbursement of the incentives will be done only after the date of commencement of commercial production.

Note. III. The mode for registration as well as application of claim for incentive will be through online portal.



Key
Parameters

- **Interest Subsidy:**
 - The entity shall have to bear a minimum 2% interest levied on term loan by the financial institution.
 - Interest subsidy will be provided on the amount of Term Loan disbursed during the operative period of the scheme and utilized for eFCI.
 - The entity can opt for start date of interest subsidy either from the date of first disbursement of loan or from the date of commencement of commercial production.
 - The interest subsidy will not be available for penal interest or other charges.
- **Net SGST Reimbursement:**
 - Incentives for SGST shall be allowed only for goods manufactured in the premise of eligible large industrial undertaking and not on the resale of any goods.
- **Employee's Provident Fund Reimbursement:**
 - New employment means new employees at the project unit on direct pay roll registering under EPF authority for the first time, who did not have a Universal Account Number (UAN) prior to joining the entity.
 - The 100 % reimbursement of employer's EPF contribution per employee shall be subject to the following criteria:
 - a) 12% of the employee's basic salary plus applicable dearness allowance and retaining allowance or
 - b) ₹ 1,800 per month, whichever is lower.
 - In case of eligible expansion/diversification, the assistance will be available for incremental employee count beyond the count that existed before undertaking expansion/diversification.
- **Steps under the scheme:**
 - Step 1 – Registration Certificate
 - Step 2 – Provisional / Final Eligibility Certificate
 - Step 3 – Claim of Incentive

For more information, let's talk !

Say Hello !

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