

Industries and Mines Department, Government of Gujarat

Operative Period: 05/10/2022 to 04/10/2032

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) for assistance to industries
- The schemes aim to enhance the state's industrial ecosystem, empowering a broader range of manufacturing companies to embrace clean energy, ensuring their readiness to compete in global markets.
- The scheme also provides employment linked incentives to Mega entities which will facilitate formalization of industrial workforce of Gujarat.

Eligible Entities

- The industries in thrust sector having existing capital investment in Plant & machinery for a fixed capital investment in plant & machinery of at least ₹ 2,500 Crore and industries provide existing direct employment to 2500 persons (Mega Entities) 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 which commences commercial production during the operative period of the scheme.
- Mega industrial units with prior incentives for the same Gross Fixed Capital Investment (GFCI) from state schemes are ineligible unless stated otherwise.
- 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 | ➤ Chemicals |
| ➤ Mobility | ➤ Textile and Apparel | ➤ Gems and Jewellery | |
| ➤ Capital equipment | ➤ Sustainability | ➤ Healthcare | |

Thrust sectors are the sectors which are most potential sector 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.
- For incentive eligibility, the Mega industrial unit must start production within the scheme's operational period.
- The final eligible cost will be determined based on the lower of either the project's EFCI (including land) or the appraised cost by the bank or financial institution.
- 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 mentioned in the last page.

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

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

Note III: The detailed description of eligible Fixed Capital Investment is provided in the government resolution & scheme guidelines.



Financial Assistance

Sr. No	Particulars	Mega Industries	Claim
1	Interest Subsidy	7% on Term loan for 10 years Max. – 1.2% of eFCI per annum	Annual
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	100% Net SGST paid for 20 years Max. – 0.9% of eFCI per annum	Quarterly Basis
4	Reimbursement of SGST on capital goods	100% SGST paid on capital goods In 20 equal annual investments	Annual
5	Reimbursement of Stamp duty and registration fees	Full reimbursement (100%) for stamp duty and registration charges paid to the Government of Gujarat for land purchase/lease in the project.	–
6	Electricity Duty	Mega Industries eligible for Electricity Duty exemption under Gujarat Electricity Act 2003.	–

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

Note. II. 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.



Key
Parameters

- **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, the assistance will be available for incremental employee count beyond the count that existed before undertaking expansion.
- **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.
 - The eligible unit shall have to obtain a separate registration for manufacturing eligible product(s).
- **Reimbursement for SGST on Capital Goods:**
 - SGST reimbursement on capital goods starts one year post-commercial production, distributed in twenty equal installments.
- **Reimbursed Stamp Duty and Reimbursed Registration fees:**
 - Reimbursement of stamp duty and registration fees shall be:
 - a) Excluded from Eligible Fixed Capital Investment: Reimbursed Stamp Duty and Registration Charges.
 - b) Applicable only to land purchase or lease during the eligible investment period.

Eligible
Investment

- Fixed Capital investment (Including land) up to INR 5,000 crore – up to 24 Months from Date of Commercial Production
- Fixed Capital Investment (Including land) up to INR 10,000 crore – up to 36 Months from Date of Commercial Production
- Fixed Capital Investment (Including land) up to INR 50,000 crore – up to 48 Months from Date of Commercial Production
- Fixed Capital investment (Including land) up to INR 1,00,000 crore – up to 60 Months from Date of Commercial Production
- Fixed Capital Investment (Including land) up to INR 1,50,000 crore – up to 72 Months from Date of Commercial Production
- Fixed Capital Investment (Including land) above INR 1,50,000 crore – up to 96 Months from Date of Commercial Production

For more information, let's talk !

Say Hello !

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