



“AATMANIRBHAR GUJARAT SCHEME -2022”

(MSME)

(05.10.2022 To 04.10.2027)

LADDHA ADVISORS PVT. LTD.

❖ **MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)**

MSME DEFINITION		
Type of Enterprise	Investment	Turnover
Micro	Rs. 1 Crore	Rs. 5 Crore
Small	Rs. 10 Crore	Rs. 50 Crore
Medium	Rs. 50 Crore	Rs. 250 Crore

❖ **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 manufacturing the end product.

- ❖ **Capital Subsidy:** Only Micro manufacturing Units is eligible for Capital Subsidy as below (Term Loan linked):

Taluka category	Subsidy
Taluka I	@25% of Term Loan Amount subject to a maximum amount of Rs. 35 Lakhs
Taluka II	@20% of Term Loan Amount subject to a maximum amount of Rs. 30 Lakhs
Taluka III	@10% of Term Loan Amount subject to a maximum amount of Rs. 10 Lakhs

- ❖ **Interest Subsidy:** MSMEs will be eligible for Interest Subsidy as below (Term Loan linked):

Taluka category	Subsidy
Taluka I	Interest subsidy @7% on Term Loan with the maximum amount of Rs. 35 Lakhs per annum for a period of 7 years
Taluka II	@6% on Term Loan with the maximum amount of Rs. 30 Lakhs per annum for a period of 6 years
Taluka III	@5% on Term Loan with the maximum amount of Rs. 25 Lakhs per annum for a period of 5 years



❖ **Conditions for Interest Subsidy:**

- **1% additional interest subsidy** to differently abled entrepreneur, Women entrepreneur and registered startup in manufacturing sector.
- **1% additional interest subsidy** to young entrepreneur **below** age of **35 years**.
- Eligible enterprise shall have to bear **minimum 2% interest** levied on term loan by Bank/Financial Institution.
- **Late submission** of application will be considered by deducting late period after maximum permissible time for application (i.e. **one year** from the date of first disbursement of loan, or on or before the date of commencement of commercial production whichever is later).



❖ Conditions for Capital and Interest Subsidy:

- Enterprise shall have to apply within **one year** from the date of first disbursement of loan, or on or before the date of commencement of commercial production whichever is later.
- 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.**



- **Loan sanctioned** and disbursed by Bank or Financial Institution as per RBI guidelines **will be eligible** for incentive under this resolution. Loan sanctioned by Non-Banking Financial Institutes will not be eligible for incentive under this resolution.
- Only **NEW Building, NEW Plant and Machinery/Equipment** and **SECOND hand IMPORTED machinery** will be eligible for incentives.
- Enterprise will have to remain in production for **7 years** from the date of commercial production.

➤ **Expansion:**

Expansion means where an existing industrial unit 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 products for which expansion is carried out. Such expansion will be eligible only if the existing industrial unit has **reached the utilization of existing installed capacity at least to the extent of 75%** in any one of the preceding three financial years. Expansion at separate location will be treated as new unit for the purpose of this policy.

➤ **Diversification:**

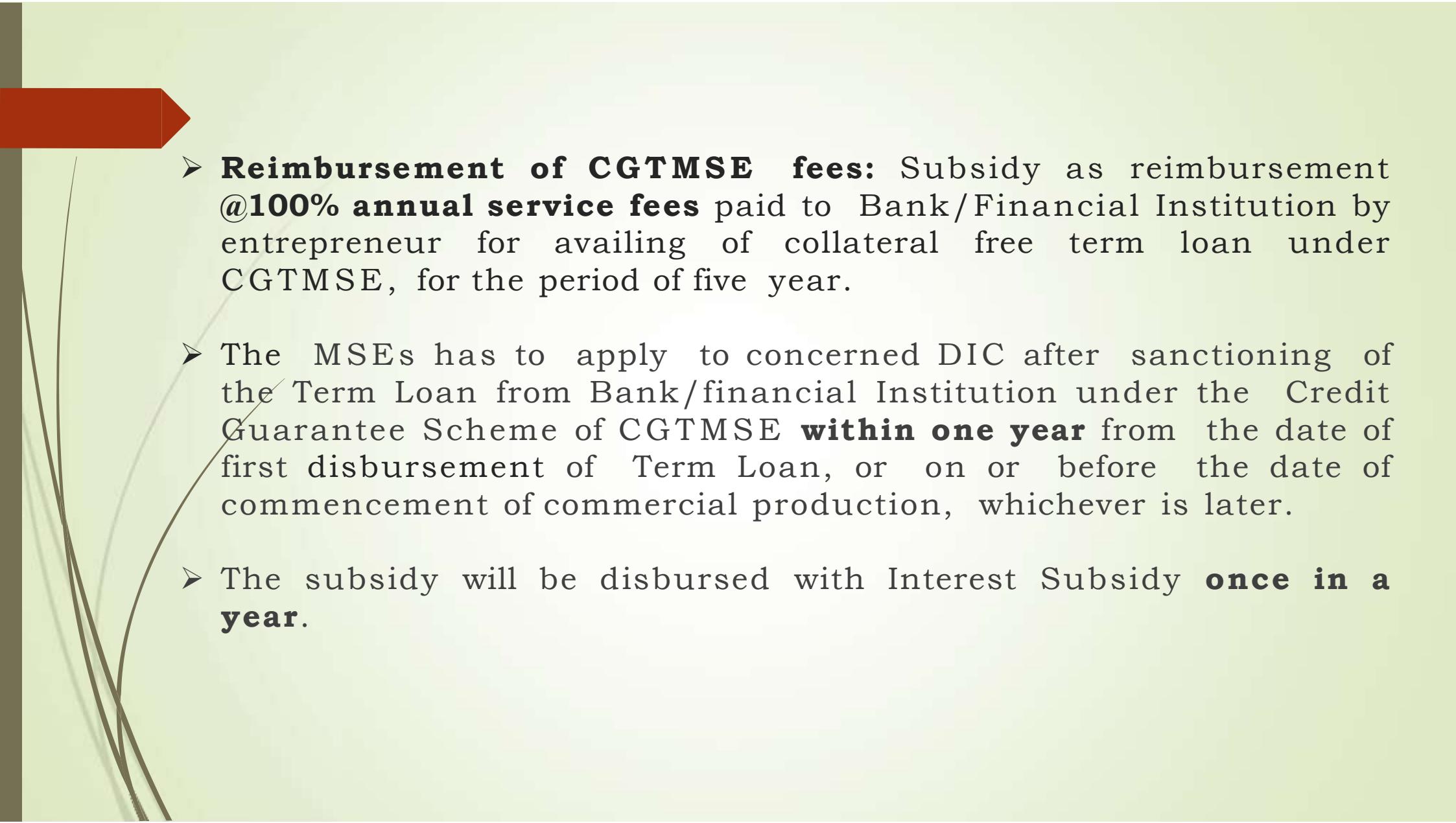
Diversification means where an existing industrial unit diversifies its production line with an increased investment in **gross fixed capital by at least 25%** in case of Micro and Small (MSE) and 50% in case of Medium Enterprise of its existing project, at the same premise, of which at least 60% of investment is made in plant and machinery.



❖ Net SGST Reimbursement For MSME:

Category of Taluka	Quantum of Incentive
Taluka I	100% of net SGST for 10 years upto 7.5% of Eligible Fixed Capital Investment (EFCI) p.a.
Taluka II	90% of net SGST for 10 years upto 6.5% of Eligible Fixed Capital Investment (EFCI) p.a.
Taluka III	80% of net SGST for 10 years upto 5% of Eligible Fixed Capital Investment (EFCI) p.a.

The period of 10 Years shall be from The date of Commencement of commercial production



- **Reimbursement of CGTMSE fees:** Subsidy 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.
- The MSEs has to apply to concerned DIC after sanctioning of the Term Loan from Bank/financial Institution 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.
- The subsidy will be disbursed with Interest Subsidy **once in a year**.



❖ **Option for availing Incentive under this scheme or previous scheme:**

- MSME that have commenced commercial production before the date of issues of this policy whether applied under previous scheme or not, shall be eligible to avail incentive only under the previous scheme. Such unit shall have an option to apply the scheme for Capital Subsidy to Large Enterprise and Thrust Sector.
- MSMEs that have applied under previous scheme or scheme for Capital Subsidy to large Enterprise and Thrust Sector but not commence commercial production before the issue of this policy shall have an option to either continue under the same scheme or opt under this scheme. Such option will have to be exercised within 6 months from 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 policy shall be considered only under this scheme.

- ❖ **Power Connection Charges:** 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 getting additional load in case of existing customer (in case of expansion) or for shifting of connection or service line, will be eligible for subsidy.
 - Subsidy will be **@35%** of charges paid to distribution licenses for **LT/HT service line, maximum limit up to **Rs. 5 lakhs****.
 - The enterprise shall have to **apply for reimbursement within one year** from the date of payment of charges to Distribution Licensee for service line.



- ❖ **Rent to MSEs:** Any MSE enterprise acquiring Rented/Leased shed to set up manufacturing activities will be provided subsidy by way of **reimbursement of rent** paid by it.
 - Subsidy **@65%** of rent paid by the enterprise with maximum limit of **Rs. 1,00,000/- per annum.**
 - The subsidy will be provided for **five year.**
 - The subsidy 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.**
 - The **service** activity and **trading** activity will not be eligible under the scheme.



❖ Electricity Duty Exemption Scheme:

- Any Manufacturing Unit Can Apply.
- Benefit will be **exemption from payment** of Electricity Duty for a period of **5 years** from the date of production. (**Duty Levied by DGVCL is @15% of Billed amount in case of HT Connection and 10% in case of LT Connection**)
- To be eligible unit must make investment in **New P & M** and **New Building**. In Case of Investment in Used Assets, then it will be allowed only up to **10% of total Investment**.



- In case of expansion, the unit has to **increase** its investment by **50% of existing investment** and has to install separate sub-meter at the location with separate line in case expansion is carried out at same location.
- The Application has to be made **within 90 days** of commencement of production. In case of delay in filing application, the benefit will be reduced for the delayed period.



❖ **EPF Reimbursement:**

- @12% of Salary* (Basic + Dearness Allowance + Retaining allowance) with maximum Rs. 1800 per month for a period of 10 years for appointment of new employees working in Gujarat who are not registered under PF before appointment

❖ **Quality Certification:**

- 50% cost of testing equipment and machinery required for that certification totaling maximum amount of Rs. 10.00 lakh.

❖ **Financial support to MSME in ZED Certificate**

- The enterprise will be eligible for subsidy @50% of all chargers on the amount after deducting the assistance received from the GOI for ZED Certificate, upto a maximum amount of Rs. 50,000 during the period of the scheme.



❖ **Assistance in Implementation of Information and Communication Technology**

- The equipment required for use of JCT as a media of Communication, networking with the 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 of the scheme.

❖ **Assistance for raising Capital through SME Exchange**

- 25% of expenditure incurred on raising SME Exchange maximum to 5 Lacs one time after successful raising of equity ad per approved scheme by SME exchange between during the operative period of previous scheme till the date of issue of this GR

❖ **Rehabilitation of Sick enterprise**

- 50% of cost of preparation of Draft Rehabilitation Scheme as assistance subject to maximum of Rs. 1 Lac to the Sick Enterprise.



❖ Assistance for Patent Registration

- 75% of cost/expenditure incurred for any number of patent applications subject to maximum Rs.25lacs per applicant/Enterprise for obtaining Patent registration of developed products/process during the operative period of scheme.
- Maximum fees 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.



❖ **Assistance for saving in consumption of Energy and Water**

- 75% cost of energy/water audit conducted by a recognize institution/consultant subject to maximum Rs. 50,000
- 25% cost of equipments recommended by the auditing authority subject to maximum Rs. 20 Lacs



❖ **Subsidy For Technology Acquisition:**

- Subsidy for acquisition of appropriate technology from recognized institution for its product/process during 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.

❖ **Financial support to MSME in ZED Certificate**

- The enterprise will be eligible for subsidy @50% of all chargers on the amount after deduction the assistance received from the GOI for ZED Certificate, upto a maximum amount of Rs. 50,000 during the period of the scheme.

FOR ANY QUERY OR ASSISTANCE PLEASE CONTACT US:

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THANKYOU