



# Gujarat Industrial Policy 2020 MSME

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# Scheme for assistance to MSME - 2020

- From 07/08/2020 to 06/08/2025
- First disbursement
- Production date

# MSME New definition w.e.f. 01.07.2020

Classification	Micro	Small	Medium
<b>Manufacturing Enterprises and Enterprises rendering Services</b>	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover ; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover ; not more than Rs. 250 crore

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# MSME new definition

- Scope increased
- Turnover criteria
- Udhyan Registration

# Basics

- New Enterprise – commencement of commercial production during operative period of the scheme
- Existing Enterprise
- Expansion – 50%+ Investment in new GFCI (Out of which atleast 60% in P&M)
- GFCI
- Forward integration, Backward integration and diversification
- Term loan from bank, inst. – (excl NBFC)
- Pipeline Enterprises

# Capital Subsidy

- Taluka I – 25% (Max. 35L) + 10L if FCI is over 10 Cr.
- Taluka II – 20% (Max. 30L) + 7.5L if FCI is over 10 Cr.
- Taluka III – 10% (Max. 10L) + 5L if FCI is over 10 Cr.
- Taluka list

# Conditions

- Apply within one year from date of first disb. (On or before commencement of commercial production – whichever is later). – Need to upload all doc and submit

# Interest subsidy – Manufacturing Sector

- Taluka I – 7%pa(Max. 35L pa) for 7 years
- Taluka II – 6%pa (Max. 30L pa) for 6 years
- Taluka III – 5%pa (Max. 25L pa) for 5 years
  
- 1% additional to women, differently abled and registered start up
- 1% additional to young (below 35 on date of sanction of loan)
- Enterprise must bear 2% int pa
- Installation of solar power plant (captive consumption in premises) – Only interest subsidy



# Service Sector – Only Interest subsidy

- Same rate as of manufacturing but only eligible service providers as per list is eligible under service sector.
- Term loan on machinery, equipment, Furniture/fixture (except land and building)
- Only new MSME service sector!!
- Must have service tax registration!
- Shop act license
- Annexure B listed entities must have to give minimum employment to 10 persons

# List of service sector

- Financial services
- Health services
- Transport and logistic
- And many more as per list.

# Conditions for interest subsidy

- Either from date of first disbursement or from commencement of commercial production
- Apply within one year from date of first disb. (On or before commencement of commercial production – whichever is later). Or that much period will lapse
- Term loan reimbursement

# General Conditions

- Loan from bank or FI (No NBFC)
- Only new building, New P&M, Old imported P&M
- GPCB
- 85% local employee (60% supervisory or managerial)
- Remain in production for 7 years
- Forward, backward and diversification – 25%
- factory land

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# CGTMSE fee reimbursement

- 100% of annual service fee for term loan is eligible for reimbursement for the period of five years

# ERP assistance

- 65% of capital cost of installing ERP subject to max. Rs. 100000/- (excl. hardware part)

# Quality certification

- 50% of fee and cost of testing equipment (Subject to max. Rs. 10 Lacs) – BSI/ISI/WHO/GMP/Hallmark
- Not eligible for this subsidy if certification is required as a part of statutory provision!
- Apply within one year of date of issue of certificate
- Renewal of cert shall not be eligible

# Info and communication Technology

- 65% of expenses related to ICT (Subject to max. Rs. 5 Lacs) networking with hardware for accessing cloud computing



# Technology Acquisition

- 65% for acquisition of appropriate technology from recognized inst for its product or process (Subject to max. Rs. 50 Lacs)
- Patented technology from Indian co / foreign co are eligible

# Patent Registration

- 75% of cost / expenditure for any no of application (Subject to max. Rs. 25 Lacs per applicant)
- Max fee for attorney for national – Rs. 50000/- and for international Rs. 200000/- capped

# Other assistance

- 75% of cost of energy / water audit (Subject to max. Rs. 50000)
- 25% cost of equipment recommended by auditing agency (Subject to max. Rs. 20Lacs)
- SME IPO – 25% of exp incurred on raising of fund (Max Rs. 5Lacs)
- Power connection charges – 35% of charges (Max Rs. 5 Lacs)
- Rent assistance – 65% of rent paid (Max Rs. 1 Lac) for 5 years



THANKS

COMMENTS AND QUERY  
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