

Industrial Policy 2015
Scheme for Assistance to Micro,
Small and Medium Enterprise (MSME)
(REVISED with enhanced assistance)

Government of Gujarat
Industries and Mines Department,
Sachivalaya, Gandhinagar.
Resolution No.MSM-102017-688-Ch
Dated: 24/10/2017.

Read :

1. Scheme for Micro, Small and Medium Enterprise (MSMEs) No. SSI/102014/924840/CH Dt. 19.01.2015

Preamble:-

The industrial policy of 2015 aims at promotion of 'Gujarat' as a globally competitive and innovative industrial destination that stimulates sustainable development and inclusive growth. Make in India is also a major national initiative, devised to transform India into a global design and manufacturing hub. This initiative will boost the primary mission of the Industrial policy 2015 which includes the proactive support for the Development of MSMEs in the state. During the implementation of the scheme, it is observed that MSME sector needs more support to invite more investment in MSME sector as it plays very important role in terms of economy and employment generation.

In view of this it was under active consideration of the State Government to extend some specific incentives particularly to MSE sector by revising the existing provisions of schemes.

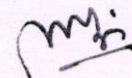
Resolution:-

In view of the strategy under the Industrial Policy 2015 the Government is pleased to modify existing schemes for MSME and to introduce a "Scheme for Assistance to Micro, Small and Medium Enterprises (Revised with enhanced assistance)" which will come into force from dated 01.04.2017 and will remain in operation till 31/12/2019 as per scheme for assistance to Micro, Small and Medium enterprise.

1.0 Definitions

1.1 Micro, Small and Medium Enterprises (MSME):

An Enterprise , which satisfies the conditions of Micro, Small and Medium Enterprises as per the definition under the MSMED Act 2006 of the Government



of India, as amended/ revised/ introduction of new provision from time to time, and having acknowledgement of Entrepreneurs' Memorandum /Udyog Aadhaar.

1.2 New Enterprise:

New enterprise means MSME, which has filed Entrepreneurs Memorandum / Udyog Aadhaar and commences commercial production during the operative period of the Scheme.

1.3 Existing Enterprise:

Existing enterprise means MSME which has commenced commercial production before the date of announcement of the scheme.

1.4 Expansion or Diversification:

Existing or New enterprises carrying out expansion/diversification with an investment of more than 50% of (out of which minimum 60% investment should be in plant and machinery) its existing gross fixed capital investment on the date of initiating expansion/diversification and commencing production of said expansion/diversification during the operative period of the scheme. Only one expansion/diversification will be eligible for assistance during the operative period of the scheme.

1.5 Modernization:

Existing MSMEs carrying out modernization by way of adopting new technology/ production process and/or improving quality of products with an investment of more than 25% of its existing gross fixed capital investment in plant and machinery on the date of initiating modernization and commencing production of said modernization during operative period of the scheme shall be termed as modernization. Only one modernization will be eligible for assistance during the operative period of the scheme.

1.6 MSME Service Enterprise:

MSME service enterprise having an Investment in equipment more than Rs. 5 lakh will be eligible for Interest subsidy.

1.7 Gross Fixed Capital Investment:

Gross fixed capital investment means the investment made in required building, plant and machinery and other related fixed assets required to manufacture end product.

1.8 Term Loan:

Term loan means loan sanctioned by the financial institution / Bank (Except NBFC) for the acquisition of new fixed assets of the project. However, only the amount actually disbursed against the sanctioned will be considered for the incentives