

Draft Guidelines for Aatmanirbhar Gujarat Scheme for Assistance to MSMEs – SGST & EPF

1. Government Resolution No -MIS-102022-1271(2)-I dated.05/10/2022

2. **Operative Period** –from 05/10/2022 to 04/10/2027

3. **Guideline under the Scheme –**

- 1) **Eligible Investment Period:** In addition to para 1.13 of the GR of this scheme, MSMEs opting /applying under this scheme as per clause 7.2 or 7.3 of this scheme, the assets acquired and paid for the investment made during the operative period of previous scheme till the date of issue of GR (i.e., from 7/08/2020 – 5/10/2022) shall also be considered for calculating eligible Fixed Capital Investment (eFCI)
- 2) **Eligible FCI:** In addition to para 1.8 of the GR of this scheme
 - Any new/existing enterprise that decides to carry out expansion/diversification at some other premises other than the existing premises will not be considered as an “Expansion Unit” and need to apply as a “New Unit” for incentives.
 - For the purpose of incentive calculations, MSMEs will be categorized based on the gross investments made by them in Plant & Machineries in the proposed New Project.
 - However, total Gross investment in plant & machinery of all units located in Gujarat state should not exceed the limit of Rs 50 Cr. (limit for gross investment in plant & machinery includes the investment in plant & machinery for proposed project).
 - For this purpose, Udyam Registration/IL/LOP acknowledgement for the applied location is not mandatory, however such enterprise may obtain a separate GST registration number for Net SGST reimbursement, however, it is not mandatory to obtain a separate GST registration number, but units shall have to maintain a separate books of accounts, and provide in a format certified by CA. (i.e. applicant shall have to maintain separate records for Purchase, Sale, Cash Flow etc. for the applied project)
- 3) **Separate GST registration:** If the unit carries out trading/services activities and manufacturing activity from the same premises, and the unit does not have a separate GST registration each for manufacturing and trading/services, in such cases CA certified separate books of accounts for the manufacturing unit will be required.
- 4) **Procedures to apply under the Scheme:** Eligible Industrial Undertakings can apply as per following procedures to get approvals under the scheme. The enterprise has to apply online and upload required documents at IFP Portal and also submit the copy of the duly signed application with documents specified in checklist to the concerned DIC/ MSME Commissioner Office in prescribed format. Enterprise may submit / process application offline to DIC/MSME Commissioner Office till module / portal made live.

Process	Process Flow		
	Step 1	Step 2	Step 3
A. Provisional /Final Eligibility Certificate	PEC/FEC		
B. Claim for SGST		PEC/FEC Based	FEC Based
C. Claim for EPF	Quarterly/Half yearly/ Annual claim based on actuals after DoCP after issuance of PEC		
E. Final Eligibility Certificate	PEC Based	FEC	

*For more details, GR can be referred

A. PROVISIONAL ELIGIBILITY CERTIFICATE (PEC) –

1. Unit has to apply/submit for Provisional Eligibility in the prescribed format along with requisite documents as mentioned in **Annexure - B**. Unit has to provide details of Investment (Acquired and Paid) up to the Date of Commencement of Commercial Production (DoCP).
2. The Applications for provisional eligibility certificate received after the prescribed time-limit, shall be subject to deduction of delayed period beyond the eligible period as defined in para 4.4 of the GR for Scheme from the eligible incentive period. The incentive period deducted during the Application for Provisional Eligibility Certificate shall have an effect in Final Eligibility Certificate also, whether the Application for Final Eligibility Certificate is received within the time-limit or not.
3. The Eligible Fixed Capital Investment (eFCI) for Provisional Eligibility will be decided on actual assets acquired and paid up to Date of Commencement of Commercial Production (DoCP).
4. **For net SGST reimbursement, the incentive shall be disbursed upto the maximum ceiling considering 50% of annual limit**

Eg. Let's assume MSME a project in Category 1 Taluka. The annual limit for such project shall be 7.5% of eFCI.

If a project has a total eligible FCI of INR 40 crores and has investment INR 30 crore upto DoCP, in such case, the eFCI as per PEC certificate is INR 30 crore. Then the annual ceiling will be calculated based on an eFCI of 50% of INR 30 crore i.e. INR 15 crore.

A	B	C	D	E	F
No of Year	Overall annual Ceiling of Net SGST (7.5% of 40 cr.)	Annual ceiling based on PEC (7.5% of 15 cr.)	Amount of Claim based on Application of enterprise (assumption)	Claim disbursement (Minimum of C, D)	Arrears pending to be disbursed after FEC Min of {(D-E), (B-D)}
1 st	3.00	1.125	0.50	0.50	0
2 nd	3.00	1.125	2.50	1.125	1.375
3 rd	3.00	1.125	4.00	1.125	1.875
	TOTAL				3.25

B. FINAL ELIGIBILITY CERTIFICATE (FEC) –

1. Application for Final Eligibility Certificate will be made to **GM-DIC/MSME Commissioner Office** in the prescribed format along with requisite document as mentioned in **Annexure C**.
2. Final Eligibility Certificate is mandatory for all MSMEs to continue availing of incentives. If MSMEs availing the benefits under the scheme based on Provisional Eligibility, application for Final Eligibility Certificate must be made within the prescribed time-limit i.e., within one year from completion of eligible investment period; else **Incentives based on Provisional Eligibility shall be temporarily stopped till the application for final eligibility is received**
3. If entire investment gets completed as on the date of commercial production, MSMEs may apply directly for final eligibility certificate instead of provisional eligibility certificate. Such application shall have to be made within one (1) year from DoCP or from date of issuance of registration certificate, or within one year from the date of issue of G.R. whichever is later.
4. If entire investment gets completed within eligible investment period as specified in para 1.13 of the GR for scheme and within 1 year from DoCP, MSMEs has a choice to directly apply for Final Eligibility Certificate (without applying for PEC) with requisite details within one year from the DoCP or within one year from the date of issuance of registration certificate or within one year from the date of issue of G.R. for the scheme, whichever is later.
5. If the application received after the time-limit prescribed as point no. 2, 3, 4 the incentive period will be reduced according to the delayed period from the eligible incentive period and incentive period shall start from the date of commencement of commercial production or from the date of first disbursement of loan, as the case may be.

E.g. If the application is made with a ‘delayed period’ of 6 months, for an incentive which is applicable for 10 years, the incentive period shall be reduced to 9.5 years and it shall start from the DoCP in case of Net SGST,

6. After the issuance of Final Eligibility Certificate, the assistance received by MSMEs on the basis of Provisional Eligibility will be re-scheduled/ re-structured and the difference between Provisional Eligibility and Final Eligibility will be adjusted.

As described in example (Point A.4) of PEC above, the eligible arrears pending to be disbursed at PEC shall be paid after the issuance of FEC.

C. CLAIM for Net SGST Reimbursement

1. The application for claim will be submitted in prescribed format with requisite documents as mentioned in **Annexure E**.
2. MSMEs having Provisional Eligibility and/or Final Eligibility Certificate can submit a claim application based on sanctioned amount by PEC/ FEC in the prescribed format along with requisite documents from the date of commercial production on quarterly basis. However, the unit may also submit claim on a half yearly or annual basis.
3. The MSMEs will have to submit First claim from the Date of Commercial Production till the immediate Quarter end. (For Example: If DoCP for any MSMEs is 15th May 2023, then date of submission for the first claim for the 1st quarter will be from 15th May 2023 to 30th June, 2023 and then subsequent quarters/half yearly/ annual claims will follow for the incentive period. Similar principle shall apply for the last quarter of the total claim period.
4. The MSMEs will have to submit the subsequent claims matching with the quarter - start and end dates. For cases where a unit does not have claim for a particular quarter/half year/year, the MSMEs shall have to submit an application for “nil” claim for that particular period.
5. 90% of the approved Net SGST reimbursement amount will be disbursed at the time of each claim under Provisional Eligibility and Final Eligibility.
Remaining 10% of assistance will be kept on hold and it will be released only after submission of Annual returns of GST each year and issuance of Final Eligibility Certificate. In case the claim application is submitted with annual GST return, in such cases, the entire eligible Net SGST amount shall be reimbursed.
6. A Site Inspection of Project will be conducted once a year by Office of MSME Commissioner / District Industries Centre.
7. Claims for Last Year of Incentive Period will be disbursed only after issuance of Final Eligibility Certificate.
8. For cases where only NEW unit projects are sanctioned under the scheme:
After utilizing all the ITC available in the credit ledger/GSTR-3B of the unit, the incentive shall be paid as per the provisions of resolution on the SGST amount paid in cash against the liability of the eligible product manufactured in the eligible project only.
9. In case only EXPANSION project is sanctioned under the scheme:
For expansion projects, the capital investment of the existing project and the capital investment in the expansion project shall be calculated proportionately against the total capital investment. The claim submitted for assistance by the unit shall be disbursed in proportion to that percentage. The incentive shall be paid within the sanctioned annual incentive limit of the unit.
For Example,

Type of Project	Total investment of the Project (Rs. In lacs)	% of investment
Existing Project	1000.00	62.50 %
Expansion project	600.00	37.50 %
Total	1600.00	100 %

It has been calculated taking into account the amount of Gross Fixed Capital Investment (Rs. 600.00 lakhs) actually made for the expansion project. The amount of investment sanctioned for the expansion project shall not be taken into account for calculating the percentage.

Total Tax paid for Existing and Expansion Project (Rs. Lacs)	% of the Amount of investment for Expansion Project	Amount to be Reimbursement (Rs. In lacs)
Rs. 2000.00	37.50 %	Rs. 750.00

After utilizing all the ITC available in the credit ledger/GSTR-3B of the unit, the incentive shall be paid as per the provisions of resolution on the SGST amount paid in cash against the liability of the eligible product manufactured in the eligible project only.

10. In case both NEW and EXPANSION/ Diversification projects are sanctioned under the scheme:

In case the unit is approved as both new project and expansion project, the claim presented by the unit shall be apportioned in proportion to the investment sanctioned for the new and expansion project of the unit. Also, accordingly the claim amount has to be paid within the annual limit of both.

11. Unutilized annual limit of Incentive of Net SGST Reimbursement as per the eligibility certificate will not be allowed to carry forward for next year. Hence, the investment limit for that particular year will have to be consumed in that particular year itself and no carry forward will be allowed.
12. For enterprises engaged in job work of articles as per section 2(68) of The CGST Act 2017, as an eligible activity, it is further clarified that, such activities shall also be eligible for Net SGST incentives.
13. In case of merger / acquisition / amalgamation / change in constitution/Management, unit must have to submit change in constitution and change in management or Authorised person details to DIC/ MSME Commissioner Office. However, it will not affect the assistance. But the enterprise should remain in operation as MSME.
14. The enterprise has to apply online and upload required documents at IFP Portal and also submit the copy of the duly signed application with documents specified in checklist to the concerned DIC/ MSME Commissioner Office in prescribed format.

Enterprise may submit / process application offline to DIC/MSME Commissioner Office till module / portal made live.

D. Timeline for approval of application –

Stage	Timeline for approval from the date of submission of complete application
Provisional Eligibility Certificate (PEC)	120 days
Final Eligibility Certificate (FEC)	180 days
Claim disbursement	90 days

E. Terminology

1. Expansion –

- a. Any new/existing enterprise that decides to carry out expansion at same premises as existing enterprise shall be considered as an “Expansion Unit”.
- b. In case of expansion/diversification, status of the enterprise (MSME/Large Industrial Undertaking) shall be determined based on gross investment in existing Plant & Machinery (invoice value) as on the date of initiation of expansion/diversification and gross investment in Plant & Machinery of expansion/diversification project. C.A. Certificate in this regard shall have to be submitted by the enterprise.
- c. In case of the Utilization of existing Installed Capacity is available for 1 or 2 Years only, then there must be 75% utilization of existing installed capacity in any of the year available.

2. Installed capacity –

- a. As per para 1.15 of GR for scheme for determination of “Installed Capacity” in cases, where bank appraisal report is not available, a certificate issued by “Chartered Engineer/DIC team/MSME Commissionerate” Team shall be considered for determining the installed capacity.

Annexure – A

Checklist – Application for Registration

No.	Particulars
1.	Application form for Registration duly filled, stamped and signed by authorized signatory.
2.	Constitution of Enterprise Company Incorporation Certificate, Memorandum of Article of Association / Copy of Partnership deed (Firm Registration) / Agreement of LLP
3.	Applicable industrial registration certificate (IEM Part - A / IL / LOP)
4.	Consent to Establish from GPCB (If applicable)
5.	GST Registration with all annexures
6.	Document related to legal possession of land. Index – 2 for change in ownership with Registered Purchase / Lease / Rent deed OR Possession letter if the plot or shed is in GIDC estate.
7.	Valid Non-agriculture permission for industrial use
8.	Notarized Affidavit for non availment of incentive under any other state government scheme (with Authority Letter or Board of Resolution, as applicable)
9.	Declaration regarding Establishment of Captive Effluent Treatment Plant or having access to Common Effluent Treatment Plant (In case of Pharmaceuticals and/or APIs Sector)
10.	Bank Sanction Letter (If applicable)
11.	Bank Account Statement for First Disbursement of Term Loan (If applicable)
12.	First Sale Bill (If production has already been commenced for project)
13.	Detailed Project Report (DPR) DPR should contain at-least <ul style="list-style-type: none">– Overview of the Project,– Product Details and Capacity with its respective manufacturing sector,– Description of Manufacturing Process,– Project Cost and Means of Finance etc.
14.	Audited Annual Report for the Financial Year before the initiation of Expansion Project.
15.	CA Certificate showing Gross Block Details before the date of initiating expansion project (in prescribed format)
16.	Chartered Engineer certificate regarding utilization of existing installed capacity of the preceding three financial years from the year in which initiating the expansion project (in prescribed format). In case, the unit has completed less than three years in production, then previous two years' or one year's as the case may be.

Annexure – B

Checklist – Application for Provisional Eligibility

No.	Particulars
1.	Application form for Provisional Eligibility duly filled, stamped and signed by authorized signatory.
2.	Registration Certificate issued under the Scheme
3.	Applicable industrial registration certificate (IEM Part - B / IL / LOP etc.)
4.	Consent to Operate (CTO) from G.P.C.B. (If applicable)
5.	Sanction Letter of Term Loan from Bank / Financial Institution, if applicable
6.	Bank Account Statement for First Disbursement of Term Loan (If applicable)
7.	Valid Proof regarding Establishment of Captive Effluent Treatment Plant or having access to Common Effluent Treatment Plant (In case of Pharmaceuticals and/or APIs Sector)
8.	Chartered Accountant Certificate / Statutory Auditory Certificate for Fixed Capital Investment up to Date of Commencement of Commercial Production (In prescribed format)
9.	Detailed Expenditure Statement for Project up to Date of Commencement of Commercial Production (In prescribed format)
10.	In case of self-fabricated machines, machine wise valuation Certificate of Chartered Engineer (Mechanical) (In prescribed format)
11.	In case of imported second hand Plant & Machineries, certificate of residual life from Chartered Engineer.
12.	Certificate of Chartered Engineer (Civil) for Civil Works up to Date of Commencement of Commercial Production (In prescribed format)
13.	Agreement for Technical knowhow, Design, Drawings and Patent(if applicable)
14.	Affidavit in prescribed format for local employment, Govt. dues / outstanding, court case against Govt. (In prescribed format)
15.	First Sale Bill
16.	Approved Building Plan

Annexure – C

Checklist – Application for Final Eligibility

No.	Particulars
1.	Application form for Final Eligibility duly filled, stamped and signed by authorized signatory.
2.	Registration Certificate issued under the scheme
3.	Provisional Eligibility Certificate issued under the Scheme (If applicable)
4.	Applicable industrial registration certificate (IEM Part - B / IL / LOP etc.)
5.	Valid CCA obtained from G.P.C.B. (If applicable)
6.	First Sale Bill for the Project
7.	Statutory Auditor Certificate for Fixed Capital Investment (In prescribed format)
8.	Detailed Asset wise (Building, P &M, Other Assets etc.) Expenditure Statement for Project (In prescribed format)
9.	Project Completion Certificate from authorized person (In prescribed format)
10.	Sanction Letter of Term Loan from Bank / Financial Institution (if applicable)
11.	Bank Certified Term Loan Account Statement for First Disbursement of Term Loan
12.	Appraisal report from financial institution (In case of lending by consortium of banks/multiple banks, the appraisal report from any participating bank shall suffice.)
13.	Project Completion Certificate from Financial Institute (In prescribed format) (If applicable)
14.	Chartered Engineer's Certificate for Installed Capacity after the completion of Investment Period.
15.	Certificate of Chartered Engineer (Civil) for Civil Works (In prescribed format)
16.	In case of self-fabricated machines, machine wise valuation Certificate of Chartered Engineer (Mechanical) (In prescribed format)
17.	In case of imported second hand Plant & Machineries, certificate of residual life from Chartered Engineer.
18.	Agreement / MoU or Other Proof for Technical knowhow, Design, Drawings and Patent (if applicable)
19.	Affidavit in prescribed format for local employment, Govt. dues / outstanding, court case against Govt. (In prescribed format)

20.	Audited Balance Sheet for Last Financial that includes Investment Period
21.	Approved Building Plan
22.	Attendance Register / Salary Register of Employees
23.	Employment Statement (In prescribed format)
24.	List of Existing Machineries before initiating Expansion with values (In prescribed format)
25.	Chartered Engineer's Certificate for Utilization of Existing Installed Capacity for Last Three Years from DoCP, in case of Expansion (In prescribed format)
26.	Valid Proof regarding Establishment of Captive Effluent Treatment Plant or having access to Common Effluent Treatment Plant (In case of Pharmaceuticals and/or APIs Sector)
27.	Authority Letter duly certified with Board Resolution, Directors / Partners / Owner. (Authorised Person should be any Director/Partner/at-least Employee of the Company)

Annexure – D
Checklist – Claim for Assistance of Interest Subsidy

No.	Particulars
1.	Application form for Claim of Interest Subsidy duly filled, stamped and signed by authorized signatory
2.	Provisional Eligibility Certificate issued under the Scheme (If Applicable)
3.	Final Eligibility Certificate issued under the Scheme
4.	Bank Certificate for the Claim Period
5.	Bank/Financial Institute certified Term Loan Account statement for Claim Period
6.	Appraisal Report from Bank/ Financial Institutes (If applicable) To be submitted with first claim only
7.	IEM Part – B /IL /LOP of Industrial Undertaking To be submitted with first claim only
8.	Valid CCA obtained from GPCB (if applicable)
9.	First Sale Bill To be submitted with first claim only
10.	Purchase bill, Sale bill, Electricity Bill for Last month of Claim Period
11.	Attendance / Salary Register for the Last Month of Claim Period
12.	Employment Statement for the Last Month of the claim Period in Prescribed Format
13.	Details of Apprentice (If applicable)
14.	Valid Insurance Policy for Fixed Assets
15.	In case other bank has taken over the remaining term-loan, then sanction letter of bank. (If Applicable)
16.	No due certificate from previous bank (in case of Take-over of Term Loan)
17.	Bank/Financial Institute certified Term Loan Account statement for take-over
18.	Authority Letter duly certified with Board Resolution, Directors / Partners / Owner. (Authorised Person should be any Director/Partner/at-least Employee of the Company)

19.	Pan Card
20.	Cancelled Cheque

Annexure – E

Checklist – Claim for Net SGST Reimbursement

No.	Particulars
1.	Application form for Claim of Net SGST Reimbursement duly filled, stamped and signed by authorized signatory.
2.	Registration Under the Scheme
3.	Provisional Eligibility Certificate Under the Scheme
4.	Final Eligibility Certificate Under the Scheme
5.	GST Registration with all Annexures
6.	Certificate as per <i>Annexure A (A1 to A4)</i> duly signed by the authorised person of the unit and certified by Chartered Accountant
7.	Details of Sales and Purchase for the Period of Claim duly certified by Chartered Accountant (<i>Annexure B</i>)
8.	Affidavit (<i>in Prescribed format as per Annexure C</i>) To be submitted with only first claim
9.	Affidavit (<i>in Prescribed format as per Annexure D</i>) To be submitted with every claim
10.	CA Certificate for the claim period (<i>in Prescribed format as per Annexure E</i>)
11.	CA Certified Credit Ledger Balance from Common portal of GST for the applied quarter
12.	CA Certified Cash ledger from Common portal of GST for the applied quarter
13.	GSTR-3B form duly signed and stamped by concerned Commercial Tax Officer
14.	Authority Letter duly certified with Board Resolution, Directors / Partners / Owner. (Authorised Person should be any Director/Partner/at-least Employee of the Company)
15.	Attendance / Salary Register for the Last Month of Claim Period
16.	Employment Statement for the Last Month of the claim Period in Prescribed Format
17.	Details of Apprentice (If applicable)
18.	Purchase bill and Sale bill for the month of Claim Period

19.	Valid Insurance Policy for Fixed Assets
20.	IEM Part-B / IL /LOP To be submitted with first claim only
21.	Valid CCA obtained from GPCB (if applicable)
22.	Annual Audit Report for the applied Claim Period (in case of last quarter of Financial year.)
23.	CA Certificate for Turnover of Eligible Products in prescribed format (In case of Expansion Only)
24.	C.A. Certificate for Gross Fixed Capital Investment (In case of Expansion Only) To be submitted with first claim only
25.	Chartered Engineer Certificate regarding Existing Installed Capacity and Actual Installed Capacity of expansion Project (In case of Expansion Only) To be submitted with first claim only
26.	Details of Outward Supply (Sales Register) in Prescribed Format
27.	PAN Card
28.	Cancelled Cheque
29.	Annual Returns GSTR – 9 and GSTR – 9C
30.	Affidavit in case of last quarter of Financial year <i>(In prescribed format as per Annexure F)</i>

Note –

Annexures referred here are annexures provided with Application form for Claiming Net SGST Reimbursement.

Annexure – F

Checklist – Claim for EPF Reimbursement

No.	Particulars
1.	Application form for Claim of EPF Reimbursement duly filled, stamped and signed by authorized signatory.
2.	Proof of new UAN account for each employee for whom the assistance is to be claimed (one time for every unique UAN)
3.	Provisional Eligibility Certificate issued under the Scheme (If Applicable)
4.	Final Eligibility Certificate issued under the Scheme
5.	Summary and Detailed Employment Statement
6.	Attendance Register / Salary Register for last month of Claim Period
7.	Details of Apprentice (If applicable)
8.	Salary Slip of all Employees for which EPF Reimbursement Claimed
9.	Payment's proof of EPF
10.	CA Certified details of Basic salary and DA and retaining allowances in prescribed format.
11.	Copy of Bank Statement for salary payment
12.	Valid CCA from G.P.C.B. (If applicable)
13.	Attendance / Salary Register for the Last Month of Claim Period
14.	Employment Statement for the Last Month of the claim Period (in Prescribed Format)
15.	Authority Letter duly certified with Board Resolution, Directors / Partners / Owner. (Authorised Person should be any Director/Partner/at-least Employee of the Company)
16.	Affidavit in prescribed format