



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Gujarat State MSME Policy



MSME & Startup Committee, ICAI

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Message from Committee Leadership

Dear MSME & Startup Stakeholders,

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

Acknowledgement

We would like to extend our sincere gratitude to **CA Swetang Raval** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Gujarat**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

CA. Sanjay Kumar Agarwal
Vice Chairman
MSME & Startup Committee, ICAI

1. Introduction to the Policy

The State of Gujarat has long been recognised as one of India's most entrepreneur-driven and manufacturing-oriented states. Its industrial base is spread across engineering clusters in Rajkot, textiles and diamonds in Surat, ceramics in Morbi, chemicals and petrochemicals in Bharuch and Dahej, pharmaceuticals in Ahmedabad-Vadodara, food processing in Anand and Kutch, and renewable energy and port-led industries along the coastline. MSMEs are deeply embedded in this structure and act as vendors, exporters, service providers, job creators and innovation partners for larger industrial units.

The Gujarat MSME policy ecosystem is not a single standalone notification. It consists of the Gujarat Industrial Policy 2020, the Aatmanirbhar Gujarat Scheme for Assistance to MSMEs 2022, MSME facilitation provisions, sector-specific policies and online implementation systems through the MSME Commissionerate, Industries Commissionerate, District Industries Centres and the Investor Facilitation Portal. The policy is important for Gujarat because it supports decentralised industrial development, encourages formalisation through Udyam Registration, improves access to credit, reduces capital and interest burden, promotes exports and strengthens women, SC/ST, rural and technology-driven entrepreneurship.

The policy also reflects a shift from merely granting subsidies to encouraging compliance-based growth. Benefits are linked with documents such as CA certificates, bank statements, first sale bills, GPCB consent, power connection details, GST registration and audited records. For professionals, especially Chartered Accountants, this creates a structured advisory role in eligibility checking, claim preparation and post-sanction compliance.

2. Brief State Profile Relevant to MSME

Particular	Gujarat MSME Relevance
Industrial orientation	Strong base in manufacturing, trade-linked services, port-led logistics, chemicals, textiles, pharma, ceramics and engineering.
MSME clusters	Rajkot engineering, Jamnagar brass parts, Surat textiles and diamonds, Morbi ceramics, Ahmedabad pharma and chemicals, Kutch mineral and port-based industries.
Export ecosystem	Ports at Mundra, Kandla/Deendayal, Dahej, Hazira, Pipavav and other maritime facilities support export-oriented MSMEs.
Infrastructure	GIDC estates, special investment regions, SEZs, logistics parks, industrial parks, plug-and-play sheds and common infrastructure.
Entrepreneurial ecosystem	DICs, MSME Commissionerate, Industries Commissionerate, i-Hub, startup facilitation and sectoral institutions.
Policy orientation	Capital support, interest support, SGST-linked assistance, rental support, quality/technology assistance, innovation and cluster development.

Gujarat's MSMEs are closely linked with both domestic and international supply chains. The state's

export orientation and large industrial base make MSME competitiveness essential. Policies supporting MSMEs therefore have a direct impact on employment, ancillary development, vendor ecosystem, exports, women participation and local value addition.

3. Policy Architecture: Key Government Frameworks

Policy / Scheme	Key GR / Source	Broad Coverage	MSME Relevance
Gujarat Industrial Policy 2020	GR No. SSI/102020/332278/CH dated 01-09-2020 and other GRs under Industrial Policy 2020	MSME assistance, SC/ST scheme, MDA, sheds, awards, infrastructure, RCD, startup, environment	Base policy for many MSME incentives.
Aatmanirbhar Gujarat Scheme for Assistance to MSMEs	GR No. MIS-102022-1271(1)-I(CH), dated 05-10-2022	MSME assistance package operative up to 04-10-2027	Main current scheme for MSME incentive claims.
Gujarat MSME Facilitation Act, 2019	Gujarat Act No. 26 of 2019	Facilitation of establishment and operation	Reduces pre-establishment burden for qualifying MSMEs.
Gujarat Single Window Clearance Act, 2017	Gujarat Act No. 29 of 2017	Single-window facilitation	Useful for approvals and clearances through IFP.
Gujarat Industrial Policy 2020 – Taluka Classification	GR No. MIS-102020-347965-I dated 02-11-2020	Category-wise taluka classification	Relevant for location-linked incentives.
Dr. Babasaheb Ambedkar Udhyog Uday Yojana	GR No. SSI/102020/332376/CH dated 01-09-2020	SC/ST entrepreneurs	Special category support for eligible MSMEs.
Market Development Assistance to MSMEs	GR No. SSI/102020/332349/CH dated 01-09-2020	Exhibitions, market access	Export and domestic promotion support.
Assistance for Startups/ Innovation	GR No. MIS-102020-327049-I dated 01-09-2020	Startups and innovation	Incubation and innovation support.
Gujarat Textile Policy 2024	GR dated 15-10-2024; operative 01-10-2024 to 30-09-2029	Textile value chain	Relevant for textile and apparel MSMEs.

Policy / Scheme	Key GR / Source	Broad Coverage	MSME Relevance
Gujarat IT/ITeS Policy 2022–27	Department of Science & Technology	IT/ITeS investment, employment and infrastructure	Relevant for service MSMEs and technology units.
Gujarat Electronics Policy 2022–28	Department of Science & Technology	Electronics manufacturing	Relevant for electronics MSMEs and vendors.
Gujarat Semiconductor Policy 2022–27/ 2022–28 references	Government of Gujarat semiconductor policy framework	Semiconductor and display ecosystem	Relevant for MSME vendors and ancillary support.
Gujarat Biotechnology Policy 2022–27	Gujarat State Biotechnology Mission	BT manufacturing and RCD	Relevant for pharma, biotech and research-led MSMEs.
Gujarat Renewable Energy Policy 2023	Energy & Petrochemicals Department	Solar, wind, hybrid and RE projects	Relevant for RE equipment, EPC and service MSMEs.

4. Pictorial Overview of Gujarat MSME Policy Ecosystem

GUJARAT MSME SUPPORT ECOSYSTEM

Industrial Policy 2020

- └ **MSME Capital / Interest / CGTMSE**
- └ SC/ST Entrepreneurship Support
- └ Market Development Assistance
- └ Sheds / Infrastructure / Clusters
- └ Startup / Innovation / R&D
- └ Environment and Logistics Support

Aatmanirbhar Gujarat

MSME Scheme 2022–27

- └ **Capital Investment Subsidy**
- └ Interest Subsidy
- └ Net SGST Reimbursement
- └ EPF Reimbursement
- └ Rent Assistance to MSEs
- └ ERP / ICT / Technology / Patent
- └ Quality / ZED / Energy-Water Saving
- └ SME Exchange / Power Connection Support

Sector-Specific Policies

- └ **Textile Policy 2024**
- └ IT/ITeS Policy 2022–27
- └ Electronics Policy 2022–28
- └ Semiconductor Policy
- └ Biotechnology Policy 2022–27
- └ Renewable Energy Policy 2023

5. Key Highlights in Tabular Form

Focus Area	Provision/Practical Relevance	Reference
Policy base	Gujarat Industrial Policy 2020 supports MSMEs and related industrial infrastructure.	GR No. SSI/102020/332278/CH dated 01-09-2020 and related GRs.
Current MSME umbrella scheme	Aatmanirbhar Gujarat Scheme for Assistance to MSMEs.	GR No. MIS-102022-1271(1)-I(CH), dated 05-10-2022.
Operative period	05-10-2022 to 04-10-2027 for Aatmanirbhar Gujarat MSME Scheme.	Aatmanirbhar Gujarat MSME scheme page / GR.
Capital investment subsidy	Assistance linked to eligible Fixed Capital Investment and enterprise category.	GR / guidelines under Aatmanirbhar Gujarat MSME Scheme and MSME Commissionerate.
Interest subsidy	Assistance on eligible term loan interest, subject to category, period and cap.	GR / guidelines.
CGTMSE fee reimbursement	Reimbursement support for eligible collateral-free loans.	GR / guidelines.
Net SGST reimbursement	Assistance to eligible MSME manufacturing enterprises based on Net SGST paid.	Aatmanirbhar Gujarat MSME Scheme.
Rent assistance	Assistance in rent to eligible Micro and Small Enterprises, subject to rent agreement, premises and conditions.	Rent assistance application and undertaking under GR dated 05-10-2022.
Technology and quality support	ERP, ICT, technology acquisition, patent registration, ZED and quality certification.	MSME Commissionerate scheme list.
Employment support	EPF reimbursement forms are listed under the Aatmanirbhar Gujarat MSME scheme.	MSME Commissionerate portal.
Export support	Market Development Assistance, exhibitions, branding and logistics support.	GR No. SSI/102020/332349/CH dated 01-09-2020.
Special category support	SC/ST entrepreneurs, women entrepreneurs, rural/taluka categories and startup support.	Industrial Policy 2020 and related GRs.

6. About the Policy

6.1 Name of the Policy

The principal MSME support framework may be referred to as:

“Assistance to MSMEs under Gujarat Industrial Policy 2020 read with Aatmanirbhar Gujarat Scheme for Assistance to **MSMEs 2022.**”

The present document covers the MSME-oriented provisions of the Gujarat Industrial Policy 2020, the Aatmanirbhar Gujarat Scheme for Assistance to MSMEs 2022, and relevant sector-specific policies applicable to Gujarat-based MSMEs.

6.1 Policy Period and Applicability

Policy / Scheme	Operative Period / Status	Applicability
Gujarat Industrial Policy 2020	Announced in 2020 with scheme period broadly up to 2025, subject to scheme-specific GRs and later Aatmanirbhar Gujarat provisions.	Industries and MSMEs eligible under specific GRs.
Aatmanirbhar Gujarat Scheme for Assistance to MSMEs	05-10-2022 to 04-10-2027.	Eligible MSMEs under the scheme and guidelines.
Textile Policy 2024	01-10-2024 to 30-09-2029.	Eligible textile value chain units.
IT/ITeS Policy 2022–27	2022–2027.	IT/ITeS units and technology services.
Electronics Policy 2022–28	2022–2028.	Electronics manufacturing and related activities.
Biotechnology Policy 2022–27	2022–2027.	Biotechnology units, RCD and allied activities.
Renewable Energy Policy 2023	Up to 30-09-2028 or until new policy.	Renewable energy projects and users.

Caution: For actual claims, the operative period and eligibility must be verified from the GR applicable to the specific incentive. A unit should not assume eligibility merely because it is an MSME. The date of commencement of commercial production, date of first sale bill, location, term loan sanction, disbursement, rent agreement, Udyam status and application timeline must be checked.

7. MSME Definition and Classification

7.1 Earlier Classification Effective from 01-07-2020

The Government of India Notification S.O. 1702(E), dated 01 -06-2020, classified MSMEs using composite criteria of investment in plant and machinery/equipment and turnover. The thresholds were:

Category	Investment in Plant & Machinery / Equipment	Turnover
Micro	Not exceeding ₹1 crore	Not exceeding ₹5 crore
Small	Not exceeding ₹10 crore	Not exceeding ₹50 crore
Medium	Not exceeding ₹50 crore	Not exceeding ₹250 crore

7.2 Updated National Thresholds Effective from 01-04-2025

As per the Union Budget 2025 announcement and subsequent MSME notification references, investment and turnover thresholds were enhanced. The updated thresholds are:

Category	Investment in Plant & Machinery / Equipment	Turnover
Micro	Up to ₹2.50 crore	Up to ₹10 crore
Small	Up to ₹25 crore	Up to ₹100 crore
Medium	Up to ₹125 crore	Up to ₹500 crore

Professional note: Both investment and turnover criteria must be considered together. For Gujarat incentive claims, the Udyam classification should be reconciled with books of account, depreciation schedule, GST turnover, income-tax records and other statutory data.

8. Terms and Conditions for Extending Incentives and Concessions

The exact conditions differ from scheme to scheme. However, the following common conditions should be checked before filing any claim:

Condition	Practical Requirement	Professional Verification
Udyam Registration	Unit should hold valid Udyam registration or applicable industrial registration.	Check Udyam certificate, NIC code and enterprise category.
Location in Gujarat	Eligible investment should relate to unit located in Gujarat.	Verify factory/service location, rent/lease/ownership proof and power connection.
Manufacturing or eligible service activity	Activities should fall within eligible categories and not be excluded.	Verify activity, GST registration, invoices and approvals.
Commencement of commercial production	DoCP should fall within scheme period, wherever applicable.	Check first sale bill, production records, electricity use and stock records.
Fixed Capital Investment	FCI should include only eligible components under scheme definitions.	Prepare CA certificate based on books, invoices and payment proof.
Term loan linkage	Interest subsidy/CGTMSE support generally requires sanctioned and disbursed loan from eligible bank/FI.	Verify sanction letter, disbursement certificate, term loan account statement and bank certificate.

Condition	Practical Requirement	Professional Verification
Statutory approvals	GPCB, Factory Act, shop C establishment, GST, power, NA permission, lease/rent documents as applicable.	Maintain self-attested copies and valid certificates.
Application timeline	Application and claims should be filed within prescribed time.	Track PEC, sanction and annual claim deadlines.
No duplicate subsidy	Actual expenditure should not be exceeded by combined GoG/Gol assistance.	Obtain undertaking and cross-check other subsidies.
Continuity of operation	Unit must normally continue operations during the incentive period.	Maintain production/sales evidence and records.

9. Eligible and Ineligible Enterprises

9.1 Eligible Enterprises – Indicative

Eligible enterprises generally include:

- New Micro, Small and Medium Enterprises established in Gujarat, subject to the relevant GR.
- Existing enterprises undertaking expansion, diversification, modernisation, forward integration or backward integration, where permitted by the relevant scheme.
- Manufacturing units with Udyam registration and applicable statutory approvals.
- Eligible service enterprises, subject to the service list and scheme conditions.
- Textile, IT/ITeS, electronics, biotech, renewable energy and other sector-specific enterprises under respective policies.
- Women-led, SC/ST-led, rural and startup enterprises, subject to category documentation.

9.2 Ineligible / Cautioned Activities – Indicative

The following activities normally require careful checking before subsidy filing:

Activity / Situation	Caution
Pure trading	Generally excluded from manufacturing-linked MSME incentives.
Real estate and construction as business activity	Often excluded from industrial incentive schemes unless covered as infrastructure development under separate GR.
Liquor, tobacco and prohibited activities	Usually excluded or restricted.
Units without valid Udyam / statutory approvals	High rejection risk.
Units with mismatch in investment, turnover or activity	Requires reconciliation before claim.

Activity / Situation	Caution
Rent premises without valid agreement or power connection evidence	Rent assistance and unit verification may fail.
Units claiming same expenditure under multiple schemes	Must ensure total assistance does not exceed actual expenditure.
Units filing after prescribed timelines	Late filing may reduce or jeopardise benefits.

Important: Ineligibility must be confirmed from the specific GR and scheme guideline applicable to the benefit claimed. This document is a professional overview and not a substitute for the official GR.

10. Main Financial Incentives for MSMEs

10.1 Capital Investment Subsidy

Capital investment subsidy is one of the most important incentives for new and eligible expansion projects. It is generally linked to eligible Fixed Capital Investment (FCI). FCI typically includes eligible land, building, plant and machinery, project-related infrastructure, eligible preliminary/pre-operative expenses and other components permitted by the scheme.

Practical Working for Professionals

Step	Verification Point
1	Identify whether the project is new or expansion/diversification/modernisation.
2	Confirm category: Micro / Small / Medium as per Udyam and books.
3	Check taluka/location category where applicable.
4	Prepare asset-wise FCI statement.
5	Exclude ineligible assets and unpaid items.
6	Reconcile CA certificate with audited balance sheet, fixed asset register and invoices.
7	Verify payment trail through bank statements.
8	Attach first sale bill and DoCP evidence.

Fixed Capital Investment Components – CA Certificate Format

Sr. No.	Asset Component	New Project	Existing/Expansion Project
1	Land	₹	₹
2	Building	₹	₹
3	Plant & Machinery	₹	₹
4	Other eligible assets	₹	₹
5	Other construction	₹	₹
6	Project-related infrastructure	₹	₹
7	Preliminary and pre-operative expenses	₹	₹

Sr. No.	Asset Component	New Project	Existing/Expansion Project
8	Working capital, if eligible under scheme	₹	₹
9	Technology, design, patent	₹	₹
10	Other charges of plant and machinery	₹	₹
	Total	₹	₹

Professional caution: Working capital and certain preliminary expenses may not be eligible in all schemes. Always read the specific definition in the GR/guideline before certification.

10.2 Interest Subsidy

- Interest subsidy reduces the effective cost of term loan finance. The claim should normally be supported by:
- Term loan sanction letter.
- First disbursement certificate.
- Term loan account statement.
- Bank certificate for claim period.
- Interest charged and paid details.
- Evidence that the term loan relates to eligible project assets.

Interest Subsidy Compliance Grid

Criterion	Check	Document
Term loan sanctioned by eligible bank/FI	✓ /X	Sanction letter.
Disbursement within prescribed period	✓ /X	Disbursement certificate / bank statement.
Interest actually paid	✓ /X	Bank certificate and account statement.
Asset financed is eligible	✓ /X	DPR, invoices, CA certificate.
Claim filed within timeline	✓ /X	Portal acknowledgement.
No default / account irregularity	✓ /X	Bank certificate.

10.3 Reimbursement of CGTMSE Fees

CGTMSE fee reimbursement is relevant for collateral-free credit to Micro and Small Enterprises. It lowers the credit guarantee cost and encourages formal borrowing. The claim requires bank/FI certificate indicating CGPAN number and CGTMSE service fee paid.

Key Documents

- CGPAN number certificate from bank/FI.
- Amount of annual guarantee/service fee paid.
- Loan sanction and disbursement documents.
- Udyam certificate.
- Application and undertaking.

10.4 Net SGST Reimbursement

Net SGST reimbursement supports eligible MSME manufacturing enterprises by reimbursing eligible State GST actually paid in cash, subject to scheme conditions.

Practical Challenge

Many MSMEs accumulate input-tax credit on plant, machinery and routine inputs. Therefore, Net SGST cash payment may arise later than expected. The benefit is not generally based on gross output tax but on eligible net tax paid in cash. This requires careful reconciliation.

Net SGST Claim Reconciliation

Particular	Amount
Output SGST on eligible sales	₹
Less: Input Tax Credit utilised	₹
Net SGST paid in cash	₹
Less: Ineligible / non-qualifying component	₹
Eligible Net SGST for reimbursement	₹
Applicable percentage / cap	% / ₹
Claim amount	₹

Documents for Net SGST Claim GST registration certificate.

- GST returns and challans.
- CA-certified turnover and tax paid statement.
- Production commencement certificate / DoCP proof.
- Sales invoices and accounting records.
- PEC / eligibility certificate documents.

10.5 Rent Assistance to Micro and Small Enterprises

Rent assistance is available under the Aatmanirbhar Gujarat Scheme for eligible MSEs operating from rented premises, subject to the terms of GR dated 05-10-2022 and application/claim forms.

Key Verification Points

Requirement	Professional Check
Valid rent agreement/deed	Check date, parties, premises, rent amount and period.
Industrial premises	Verify unit address, activity and power connection.
Rent excluding GST	Rent amount should be separately identifiable.
Ownership proof of landlord	Obtain property proof/affidavit.
Power connection	Meter number and distribution company details or application proof.
No double claim	Undertaking regarding other GoG/Gol assistance.

10.6 Electricity Duty Exemption and Power Connection Support

Eligible units may receive electricity duty exemption or assistance for power connection charges under applicable schemes. Units should verify:

- Whether new or expansion unit qualifies.
- Date of power connection.
- Electricity bill details.
- Load sanction and meter number.
- Applicability under the Gujarat Electricity Act and relevant scheme.

10.7 Quality, ERP, ICT, Technology and Patent Support

The MSME Commissionerate lists several non-capital support schemes, including:

- Assistance for quality certification.
- Financial support to MSMEs in ZED certification.
- Assistance for Enterprise Resource Planning (ERP).
- Assistance in implementation of ICT.
- Assistance for technology acquisition.
- Assistance for patent registration.
- Assistance for saving in consumption of energy and water.
- Assistance for raising capital through SME exchange.

These incentives are particularly useful for export-oriented MSMEs and those seeking vendor approval from large companies.

11. Non-Financial Support

Support Area	Institutions / Mechanism	MSME Relevance
Incubation	i-Hub, universities, startup cells, technical institutions	Mentoring, prototype support, funding linkages.
Skill development	ITIs, sector skill councils, technical institutes	Workforce readiness.
Cluster development	GIDC, MSME Commissionerate, industry associations	Common facilities and infrastructure.
Ease of doing business	Investor Facilitation Portal and Single Window Act	Approval tracking and reduced paperwork.
Market access	MDA, exhibitions, buyer-seller meets, export facilitation	Domestic and overseas market expansion.
Compliance facilitation	DICs and portals	Application guidance and scheme flow.
Innovation and RCD	Startup/innovation GR, RCD scheme	Product development and commercialisation.

12. Provisions for Women, SC/ST, Rural and Special Categories

Category	Policy Support	Professional Documentation
Women entrepreneurs	Additional interest benefit or priority support where applicable under scheme.	Ownership/shareholding, management control, identity proof.
SC/ST entrepreneurs	Dr. Babasaheb Ambedkar Udhog Uday Yojana support for eligible MSMEs.	Caste certificate, ownership proof, Udyam, project documents.
Rural / backward taluka units	Location-linked benefit where taluka classification applies.	Taluka category proof, land/rent documents, DIC verification.
Young entrepreneurs	Age proof may be required where age-linked benefit applies.	Birth certificate / school leaving certificate.
Differently abled promoters	Category-specific support where applicable.	Disability certificate from competent authority.
Startups	Startup/innovation assistance and incubation support.	Startup recognition, pitch/deck, incorporation and financials.

Professional note: Benefits may not be automatically cumulative. Each GR must be checked for restrictions on clubbing, caps and maximum assistance.

13. Sector-Specific Policies and MSME Opportunities

13.1 Textiles and Apparel

Gujarat has a deep textile value chain: cotton, spinning, weaving, processing, garments, technical textiles and exports. The Gujarat Textile Policy 2024 is operative from 01-10-2024 to 30-09-2029 and supports investment in the textile sector.

MSME Opportunities

- Garment and apparel manufacturing.
- Weaving and processing units.
- Technical textiles.
- Textile machinery services.
- Dyeing, finishing and packaging units.
- Women SHG-linked garmenting and stitching activities where permitted.

13.2 IT/ITeS and Digital Services

Gujarat IT/ITeS Policy 2022–27 supports IT infrastructure, employment generation, technology services and emerging technologies. It is useful for software firms, BPO/KPO units, IT service MSMEs, cloud/digital transformation firms and startup-led technology enterprises.

MSME Opportunities

- Software development.
- ERP implementation for local industries.
- Digital marketing and e-commerce support.
- AI/data services.
- Cybersecurity and compliance services.
- Industry 4.0 and factory automation services.

13.3 Electronics and Semiconductor Ecosystem

Gujarat Electronics Policy 2022–28 and semiconductor policy framework aim to position Gujarat in electronics manufacturing and semiconductor/display value chains. MSMEs can participate as component suppliers, cleanroom service providers, precision engineering vendors, packaging units, electronics repair/service firms and logistics partners.

13.4 Biotechnology and Pharma

Gujarat Biotechnology Policy 2022–27 supports biotechnology industry development, RCD and commercialisation. MSMEs in pharma, diagnostics, fermentation, medical devices, biotech services and lab equipment may benefit through policy alignment.

13.5 Renewable Energy

The Gujarat Renewable Energy Policy 2023 is operative up to 30-09-2028 or until a new policy. Gujarat's RE ecosystem creates opportunities for MSMEs in solar module support, EPC, electrical panels, mounting structures, maintenance services, energy audits, storage accessories and renewable power captive projects.

13.6 Logistics, Ports and Export-Linked Services

Gujarat's coastline and port infrastructure make logistics a key MSME opportunity. MSMEs can participate in warehousing, cold chain, packaging, transport management, customs support, documentation, container handling and export-linked services.

13.7 Ceramics, Chemicals, Engineering and Food Processing

Traditional clusters remain strong MSME opportunity areas:

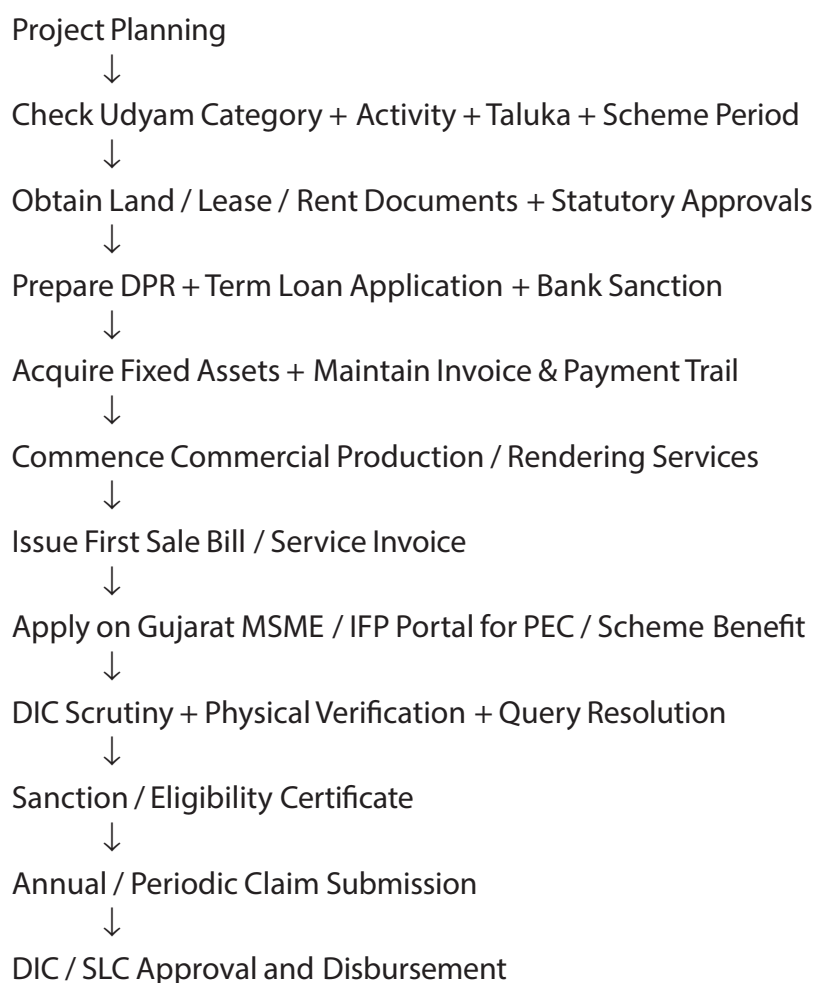
Cluster	MSME Opportunity
Morbi ceramics	Tiles, sanitaryware, machinery, packaging, gas services.
Rajkot engineering	Auto components, machine tools, casting, pumps.
Jamnagar brass	Brass components and precision parts.
Ahmedabad-Vadodara pharma	Ancillary pharma, packaging, labs, compliance services.
Bharuch-Dahej chemicals	Specialty chemicals, maintenance, utilities, logistics.
Anand / Kutch food processing	Dairy, agro-processing, cold chain, packaging.

14. Focused Areas of the Policy

Focus Area	How the Policy Supports It
New investment	Capital subsidy, interest subsidy, infrastructure and single-window facilitation.
Credit access	CGTMSE fee reimbursement and interest support.
Formalisation	Udyam, GST, bank records and CA certification-based claims.
Export competitiveness	MDA, quality certification, logistics and sector-specific support.
Technology adoption	ERP, ICT, technology acquisition and patent registration.
Sustainability	Energy and water saving assistance, renewable energy support.
Inclusive growth	SC/ST scheme, women support, rural/taluka incentives.
Employment	EPF reimbursement and labour-linked sectoral policies.
Cluster development	GIDC sheds, private sheds, industrial parks and common infrastructure.

15. Procedure for Availing MSME Incentives

15.1 Flowchart



15.2 Step-by-Step Process

Step	Action	Key Documents
1	Identify scheme and check eligibility.	GR, guidelines, Udyam, activity proof.
2	Register enterprise.	Udyam, PAN, GST, constitution documents.
3	Arrange project finance.	DPR, loan sanction, bank appraisal, disbursement proof.
4	Establish unit.	Land/rent/lease, invoices, payment proofs, GPCB/power approvals.
5	Commence production.	First sale bill, production records, electricity bill.
6	Prepare CA certificates.	FCI certificate, expansion certificate, GST/tax certificate.
7	File application.	Online/offline form, attachments, undertaking.
8	Respond to queries.	Clarifications, revised statements, additional documents.
9	Receive sanction.	PEC/sanction letter/eligibility certificate.
10	File periodic claims.	Bank certificate, GST records, payroll, electricity bills, insurance, etc.

16. Documents Required: Application Stage

Based on the application checklist for sanction of capital investment subsidy, interest subsidy and CGTMSE fee reimbursement, the following documents are commonly required:

Sr. No.	Document
1	Printed application with declaration and undertaking, signed and stamped by authorised person.
2	Udyam Registration / applicable industrial registration certificate.
3	Term loan sanction letter.
4	Term loan account statement / first disbursement certificate.
5	Constitution documents: proprietorship, partnership deed, LLP agreement, MOA/AOA, etc.
6	CA certificate for Gross Fixed Capital Investment.
7	Detailed Project Report / bank appraisal report where applicable.
8	Shop & Establishment certificate for service enterprises in municipal/nagarpalika areas.
9	GST registration, if applicable.

Sr. No.	Document
10	PAN card of enterprise.
11	ITR / plant and machinery value records or self-declaration for new unit.
12	Age proof where young entrepreneur benefit is claimed.
13	Caste certificate where SC/ST benefit is claimed.
14	Disability certificate where applicable.
15	GPCB CTE/CCA where applicable.
16	Land/property documents such as 7/12, Namuna 6, index, property card, etc.
17	NA permission where applicable.
18	Notarised rent deed / lease deed with owner proof.
19	Property tax document for service activity where applicable.
20	Board resolution / authority letter / power of attorney.
21	Declaration about other investment in Gujarat.
22	Balance sheet annexure showing gross fixed capital investment.
23	CA certificate before and after expansion/diversification where applicable.
24	Chartered Engineer certificate for installed capacity where applicable.
25	Bank/FI certificate for CGPAN and CGTMSE fees where applicable.

17. Documents Required: Claim Stage

For claim of capital investment subsidy, interest subsidy and CGTMSE fee reimbursement, the claim checklist includes the following important documents:

Sr. No.	Claim Document
1	Printed claim application with declaration and undertaking, signed on all pages.
2	Bank certificate for the claim period.
3	Term loan bank account statement.
4	Udyam / IEM / LOP certificate.
5	First sale bill, in first claim.
6	Last sale bill of claim period.
7	Attendance register and payroll sheet for last month of claim period.
8	Machinery list in prescribed format.
9	GPCB CCA, if applicable.
10	Last electricity bill in claim period.
11	Shop C Establishment certificate for service sector in municipal/nagarpalika area.
12	CA certificate for Fixed Capital Investment until capital subsidy is sanctioned.

Sr. No.	Claim Document
13	CA certificate before and after expansion/diversification/modernisation where applicable.
14	Valid insurance policy for incentive period.
15	Balance sheet / annual report for expansion/diversification cases.
16	CGTMSE fee certificate from bank/FI where applicable.
17	Power of attorney / board resolution / consent letter.
18	Self-certified shareholding pattern.
19	Self-declaration for not availing further disbursement till capital subsidy approval.
20	PAN card of authorised signatory.
21	GST registration certificate, if applicable.
22	Cancelled cheque for assistance.

18. Role of Chartered Accountant

A Chartered Accountant's role is central to MSME incentive claims in Gujarat.

18.1 Advisory Role

- Identify eligible scheme based on enterprise activity, size and location.
- Check whether the unit is new, expansion, diversification, forward integration or backward integration.
- Verify scheme period and DoCP.
- Advise on documentation from project planning stage.
- Reconcile Udyam category with investment and turnover.

18.2 Certification Role

- Certify Gross Fixed Capital Investment.
- Certify existing and new project investment.
- Certify expansion/diversification investment before and after project.
- Certify GST, turnover, tax payment and Net SGST claim where required.
- Certify that assets are paid for and recorded in books.

18.3 Compliance Risk Management

- Avoid certifying unpaid or unsupported assets.
- Ensure invoices match books, bank payment and fixed asset register.
- Exclude ineligible expenditure.
- Maintain UDIN for certificates.
- Preserve audit trail for future departmental verification.

19. Industries That Benefit from Gujarat MSME Policies

Industry	Benefit from Policy
Engineering and auto components	Capital support, interest support, technology and quality certification.
Textiles and garments	Textile policy support, MDA, quality and export assistance.
Ceramics	Cluster-based investment, energy efficiency and market access.
Pharmaceuticals and chemicals	Quality, technology, infrastructure and export facilitation.
Food processing	Cold chain, agro-processing, packaging and MSME benefits.
IT/ITeS	Sectoral IT policy, employment and infrastructure support.
Electronics	Electronics policy and vendor ecosystem.
Renewable energy	RE policy, energy saving and solar/captive projects.
Logistics	Logistic park, port-led infrastructure and export support.
Startups and innovation	Incubation, RCD, innovation and startup support.

20. Export Promotion Measures

Gujarat's MSME policies support exports through direct and indirect measures.

20.1 Direct Measures

- Market Development Assistance for participation in state, national and international exhibitions.
- Assistance for branding, trade fairs and market access where available.
- Quality certification support useful for export compliance.
- Technology and patent support to improve product competitiveness.

20.2 Indirect Measures

- Ports and logistics infrastructure.
- Industrial parks and common facilities.
- Renewable energy and power support to reduce production cost.
- Sectoral policies for export-heavy sectors such as textiles, gems and jewellery, chemicals, pharma, engineering and ceramics.

20.3 Professional Export Compliance Note

Export-oriented MSMEs should reconcile subsidy records with:

- GST LUT / export invoices.
- Shipping bills and e-BRC.
- DGFT records.

- RoDTEP / drawback / other export incentives.
- Bank realisation certificates.
- Turnover classification under Udyam, especially where export turnover treatment is relevant under MSME classification.

21. Implementation Structure and Nodal Agencies

Agency	Role
Industries and Mines Department, Government of Gujarat	Policy formulation and GR issuance.
Industries Commissionerate	Industrial policy implementation and coordination.
MSME Commissionerate	MSME scheme implementation, forms, guidelines and portal support.
District Industries Centres	District-level scrutiny, guidance, physical verification and implementation support.
Investor Facilitation Portal	Single-window approval and investor services.
GIDC	Industrial estates, sheds and infrastructure.
Gujarat State Biotechnology Mission	Biotechnology policy support.
Department of Science C Technology	IT/ITeS, electronics and semiconductor policy support.
Energy C Petrochemicals Department	Renewable energy policy support.
Startup Gujarat / i-Hub	Startup and innovation support.

22. Relevant Links and Contacts

Office / Portal	Details
Industries Commissionerate	Udyog Bhavan, Gandhinagar – https://ic.gujarat.gov.in
MSME Commissionerate	Block No. 1, 4th Floor, Udyog Bhavan, Gandhinagar – https://msmec.gujarat.gov.in
Investor Facilitation Portal	https://ifp.gujarat.gov.in
District Industries Centres	District-level implementation offices.
Startup Gujarat	https://startupgujarat.in
Udyam Registration	https://udyamregistration.gov.in
Gujarat Textile Policy	Industries Commissionerate / iNDEXTb / GIDC policy page.
Gujarat IT/ITeS Policy	Directorate of ICT C e-Governance / DST policy portal.
Gujarat Biotechnology Policy	Gujarat State Biotechnology Mission.
Gujarat Renewable Energy Policy	Energy C Petrochemicals Department / CMO Gujarat.

23. Practical Challenges in Claiming Benefits

Challenge	Impact	Suggested Professional Action
Late application filing	Benefit may be reduced or denied.	Maintain timeline tracker from DoCP and sanction date.
Incomplete CA certificate	Query or rejection.	Use prescribed format and attach workings.
FCI mismatch	Subsidy calculation dispute.	Reconcile fixed asset register, invoices and audited accounts.
GST ITC accumulation	Delay in Net SGST benefit.	Prepare cash SGST reconciliation.
Rent documents incomplete	Rent assistance risk.	Ensure registered/notarised agreement and owner proof.
GPCB consent missing	Application held up.	Check CTE/CCA applicability early.
Bank certificate mismatch	Interest subsidy delay.	Get scheme-specific certificate from bank.
Multiple subsidies	Clawback risk.	Prepare subsidy register and undertaking.
Expansion vs new unit confusion	Incorrect benefit selection.	Establish project classification and baseline investment.
Portal query delays	Processing delay.	Keep digital and physical file ready.

24. Sample Criteria Check Grid for MSME Benefit

Criterion	Status	Evidence	Reference
Unit located in Gujarat	✓ /X	Land/rent/lease document	Scheme GR/DIC verification
Udyam registration valid	✓ /X	Udyam certificate	MSME Act / scheme guideline
Activity eligible	✓ /X	NIC code, invoices, approvals	Scheme eligibility clause
Do CP within scheme period	✓ /X	First sale bill production records	Applicable GR
Enterprise category confirmed	✓ /X	Udyam, turnover, FCI	MSME classification notification
FCI certified	✓ /X	CA certificate, FAR, invoices	Prescribed CA format
Term loan eligible	✓ /X	Sanction disbursement, bank certificate	Interest subsidy guideline
GPCB/statutory approvals	✓ /X	CTE/CCA, licences	Applicable laws and scheme conditions
Application within timeline	✓ /X	Portal acknowledgement	Scheme guideline
No duplicate subsidy	✓ /X	Undertaking, subsidy register	Scheme condition

25. FAQ Section as Required by ICAI

Q1. Are there any special provisions for women entrepreneurs?

Yes. Gujarat's MSME framework recognises women entrepreneurs through additional/priority support under applicable schemes, startup initiatives and sectoral programs. Women-led enterprises should maintain clear ownership, shareholding and management control documents. Where women-specific additional interest subsidy or priority allotment is available, it should be claimed only after checking the relevant GR and scheme guideline.

Q2. Does Gujarat offer subsidies or incentives for specific industries?

Yes. Apart from general MSME incentives, Gujarat has sector-specific policies for textiles, IT/ITeS, electronics, semiconductors, biotechnology, renewable energy, logistics and startup innovation. These policies complement the MSME scheme and are especially useful for units in textile value chain, digital services, pharma/biotech, electronics manufacturing, renewable energy equipment and export-linked sectors.

Q3. What are Gujarat's export promotion measures?

Gujarat supports export promotion through Market Development Assistance, participation in domestic and international exhibitions, quality certification support, logistics infrastructure, industrial parks, port-led development and sector-specific support for export-heavy industries such as textiles, chemicals, pharma, ceramics, engineering, gems and jewellery and food processing.

Q4. What funding or financial assistance is available for entrepreneurs?

Eligible MSMEs may access capital investment subsidy, interest subsidy, CGTMSE fee reimbursement, Net SGST reimbursement, EPF reimbursement, quality certification support, ERP/ICT support, technology acquisition support, patent assistance, rent assistance, power connection assistance and sector-specific grants/subsidies. The actual benefit depends on enterprise category, location, project type, investment, loan structure and scheme conditions.

Q5. How can startups/MSMEs benefit from incubation and innovation support?

Startups and innovation-driven MSMEs can benefit from Gujarat's startup/innovation framework, i-Hub, university linkages, incubation centres, mentoring, prototype support, funding facilitation and RCD-related assistance. Technology MSMEs can further align with IT/ITeS, electronics, biotech and renewable energy policies.

Q6. Are there tax exemptions or financial relaxations under this policy?

Yes. Depending on the scheme and eligibility, MSMEs may be eligible for Net SGST reimbursement, electricity duty exemption, stamp duty-related support, interest subsidy, capital subsidy, CGTMSE fee reimbursement and other financial relaxations. The exact calculation must be made from the applicable GR and eligible expenditure/tax paid.

Q7. What is the process to apply for these schemes or benefits?

The process generally includes Udyam registration, scheme eligibility check, project documentation, term loan sanction where applicable, commencement of commercial production, preparation of CA certificate and application through the MSME portal / Investor

Facilitation Portal / DIC route. After scrutiny and verification, the unit receives sanction/eligibility and can file periodic claims.

Q8. Which nodal agency or department implements the policy?

The Industries and Mines Department issues the policy framework. Implementation is through the Industries Commissionerate, MSME Commissionerate and District Industries Centres. Sector-specific policies may be implemented by departments such as Department of Science C Technology, Energy C Petrochemicals Department or Gujarat State Biotechnology Mission.

Q6. Who are the key contact persons for assistance?

Applicants should contact the relevant District Industries Centre, MSME Commissionerate, Industries Commissionerate, Investor Facilitation Portal helpdesk and sectoral department. The official websites should be used for updated contact numbers, forms, user manuals and scheme instructions.

Q10. How does this policy align with Central Government initiatives?

Gujarat's MSME framework complements central initiatives such as Startup India, Make in India, Digital India, CGTMSE, Udyam Registration, ZED Certification, PMEGP, MUDRA and export promotion programs. The state scheme reduces capital and finance cost while central schemes support credit, formalisation, quality, innovation and market access.

Q11. Is trading activity eligible under Gujarat MSME incentives?

Pure trading is generally not eligible for manufacturing-linked MSME incentives. Service enterprises must be checked against eligible service categories and specific scheme conditions.

Q12. Can an existing unit claim benefits for expansion?

Yes, where the scheme permits expansion, diversification, modernisation, forward integration or backward integration. The unit must prepare before-and-after investment records, CA certificate, baseline balance sheet and project documents.

Q13. What is the most common reason for claim delay?

Common reasons include incomplete application, mismatch in FCI figures, missing bank certificate, incomplete CA certificate, missing GPCB/power documents, late filing, GST reconciliation gaps and rent/lease documentation issues.

Q14. Is GST input tax credit considered for Net SGST reimbursement?

The benefit is linked to eligible Net SGST paid in cash as per scheme conditions. ITC utilisation reduces cash payment and may delay or reduce the reimbursement. A separate GST reconciliation is essential.

Q15. What should a CA verify before issuing FCI certificate?

A CA should verify invoices, payment proof, fixed asset register, audited financial statements, eligible asset definitions, project location, installation/use, ownership, loan linkage and whether any asset is unpaid or funded by another subsidy.

26. Summary Table for Quick Reference

Area	Summary
Main MSME scheme	Aatmanirbhar Gujarat Scheme for Assistance to MSMEs, GR dated 05-10-2022.
Operative period	05-10-2022 to 04-10-2027.
Main benefits	Capital subsidy, interest subsidy, CGTMSE fee reimbursement, Net SGST reimbursement, EPF reimbursement, rent assistance and technology/quality support.
Main eligibility	Gujarat-based eligible MSME with Udyam registration and compliance with GR conditions.
Key documents	Application, Udyam, PAN, GST, loan sanction, bank certificate, CA certificate, first sale bill, GPCB, power bill, land/rent documents.
Nodal implementation	MSME Commissionerate, Industries Commissionerate and District Industries Centres.
Special categories	Women, SC/ST, rural/taluka, startups and sector-specific units.
Major risk	Late filing and incomplete documentation.
CA role	Eligibility review, FCI certification, GST reconciliation, loan/interest verification and claim documentation.

27. References

1. Government of Gujarat, Industries and Mines Department, Gujarat Industrial Policy 2020.
2. Government Resolution No. SSI/102020/332278/CH dated 01-09-2020 – Scheme for Assistance to Micro, Small and Medium Enterprises.
3. Government Resolution No. MIS-102022-1271(1)-I(CH) dated 05-10-2022 – Aatmanirbhar Gujarat Scheme for Assistance to MSMEs.
4. MSME Commissionerate, Government of Gujarat – Aatmanirbhar Gujarat Schemes 2022 page and guidelines.
5. Government of India Notification S.O. 1702(E) dated 01-06-2020 – MSME classification effective from 01-07-2020.
6. Government of India / Ministry of MSME notification references for revised MSME thresholds effective from 01-04-2025.
7. Government of Gujarat, Gujarat Industrial Policy 2020 – Taluka Classification GR No. MIS-102020-347965-I dated 02-11-2020.

8. Government of Gujarat, Dr. Babasaheb Ambedkar Udyog Uday Yojana for SC/ST Entrepreneurs – GR No. SSI/102020/332376/CH dated 01-09-2020.
9. Government of Gujarat, Market Development Assistance to MSMEs – GR No. SSI/102020/332349/CH dated 01-09-2020.
10. Government of Gujarat, Gujarat Textile Policy 2024 – operative 01-10-2024 to 30-09-2029.
11. Government of Gujarat, IT/ITeS Policy 2022–27.
12. Government of Gujarat, Electronics Policy 2022–28.
13. Government of Gujarat, Biotechnology Policy 2022–27.
14. Government of Gujarat, Renewable Energy Policy 2023.
15. Gujarat Single Window Clearance Act, 2017.
16. Gujarat MSME Facilitation Act, 2019.
17. Application checklists, claim checklists, CA certificate formats, expansion certificate formats and rent assistance application forms under Aatmanirbhar Gujarat MSME Scheme.

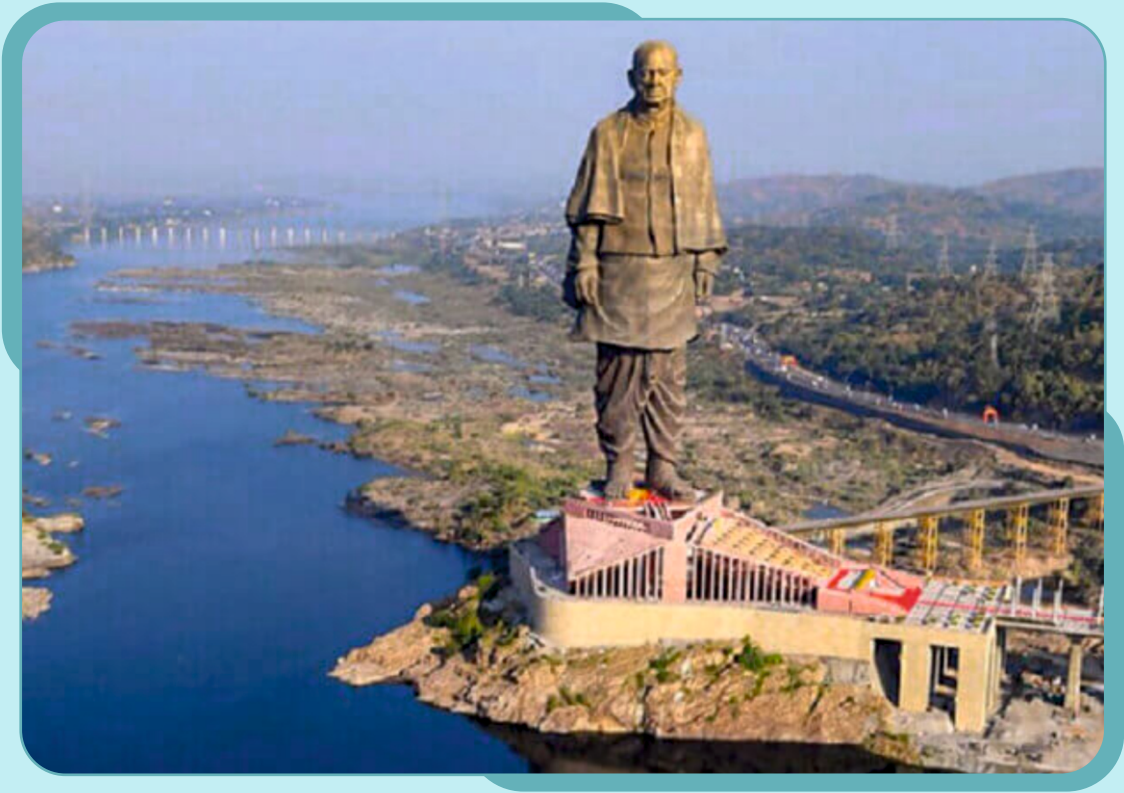
28. Professional Closing Note

From a Chartered Accountant's lens, Gujarat's MSME incentive framework is generous but document-driven. The policy can substantially reduce project cost and improve liquidity, but only when the entrepreneur plans eligibility, finance, documentation and statutory compliance at the project stage. The CA should ensure that claim documents are prepared with the same discipline as an audit file: all figures must reconcile, all certificates should carry proper basis and UDIN, and every subsidy claim should be supported by a clear trail from approval to disbursement.

As Gujarat moves through the current Aatmanirbhar Gujarat MSME period up to October 2027 and sectoral policies through 2027–2029, MSMEs should regularly verify new GRs, amendments, circulars and portal instructions. Professional advisory will remain critical in converting policy intent into measurable enterprise growth.

Disclaimer

Advisory based on provided documents and publicly available official policy references; verify on the official portal/authority before filing any application or claim. The exact eligibility, quantum, cap, timeline and procedure must be confirmed from the relevant Government Resolution, guideline, amendment and portal instruction applicable to the enterprise.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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Startup Portal:
startup.icai.org



MSME Portal:
msme.icai.org