

— State Incentive

Defence Manufacturing in Gujarat

One Time Incentives

1. Land Cost Rebate

- Government land is available at 50% of Jantri rate (wherever such land is available)
- All Mega/ Large A&D enterprises, with an investment of over INR. 200 Cr and having potential for cluster formation are eligible
- These enterprises are given preference in allotment of government land or land in State Industrial Development Corporation (GIDC) estates

2. Fixed Capital Rebate

- 25% rebate on fixed capital is available for eligible Micro, Small and Medium units (subject to conditions)
- All micro, small and medium enterprises with an investment commitment of at least INR 12.5 L, 1.25 Cr and 2.5 Cr respectively are eligible

3. Stamp Duty Exemption

- 100% reimbursement is available on stamp duty and registration charges paid during the purchase of land
- All Mega/ Large A&D enterprises, with an investment of over INR. 200 Cr and having potential for cluster formation, would be given preference in allotment of government land or land in State Industrial Development Corporation (GIDC) estates

4. Other Incentives

- The State Government is going to provide additional equity support and may participate in the equity

share capital of a Mega or Large A&D enterprise directly or through a State PSU

- Such participation shall be decided by the government / CCCIPM on a case-to-case basis and would depend on the merits of each case

Recurring Incentives

1. SGST Reimbursement

- 90% SGST reimbursement is offered on the Fixed Capital Investments made by the eligible enterprises in their respective projects
- The above reimbursement is applicable for 10 years from the date of commencement of the project

2. Skill Development/ Training Incentive

- For Mega A&D enterprise, 50% of the cost of training will be incentivised, per employee per annum, subject to 25 employees per annum with the ration of 80% technical staff training and 20% for techno-managerial staff training (up to a maximum of INR. 1 lakh per employee per annum for the first 5 years)
- For Large A&D enterprise, 50% of the cost of training will be incentivised, subject to 20 employees per annum with the ration of 80% technical staff training and 20% for techno-managerial staff training (up to a maximum of INR. 1 lakh per employee per annum for the first 5 years)
- For MSMEs, 75% of the cost of training, in house subject to 10 employees per annum with the ration of 80% technical staff training and 20% for techno-managerial staff training (up to a maximum of INR. 10,000 per employee per annum for the first 5 years)

3. Interest Cost Subvention

- For Mega Enterprise - ECB (External Commercial Borrowing) - maximum of 2% or 50% (whichever is lower) of the interest rate at which the loan is availed per annum. Domestic borrowing - 5% or 50% of the rate of interest at which the loan is availed per annum whichever is lower. The total interest subsidy amount on ECB plus Domestic borrowing shall be maximum INR 10 Crore per annum.
- For Large Enterprise, ECB - maximum of 2% or 50% (whichever is lower) of the interest rate at which

the loan is availed per annum. Domestic borrowing - 5% or 50% (whichever is lower) of the rate of interest at which the loan is availed, per annum. The total interest subsidy amount on ECB plus Domestic borrowing shall be maximum INR 5 Crore per annum.

- For MSMEs, ECB - maximum of 2% or 50% (whichever is lower) of the interest rate at which the loan is availed per annum, Domestic borrowing - 7% or 50% (whichever is lower) of the rate of interest at which the loan is availed per annum. The total interest subsidy amount on ECB plus Domestic borrowing shall be maximum INR 1 Crore per annum.

4. Power Tariff Rebate

- An A&D enterprise that purchases power from a state-owned Distribution company shall be given subsidy on Power Tariff at Re. 1 per unit in the billed amount
- This subsidy is applicable for a period of 5 years from the date of commencement of production

5. Electricity Duty Rebate

- 100% exemption on Electricity Duty will be offered to eligible units for the first 5 years from the date of commencement of commercial production

6. Other incentives

- Government will provide additional support to all the eligible units in areas such as Centres of Excellence, Establishment of Universities, Skill Development Council and Single Window Facilitation cell for marketing
- Moreover, 50% capital subsidy up to a maximum of INR 5 Cr shall be provided to set up R&D centres in the state.