VIKSIT GUJARAT INDUSTRIAL POLICY

MSME Assistance Policy 2026

A concise guide for manufacturing enterprises

OPERATIVE PERIOD

01 June 2026 to 31 May 2031

Eligibility, incentive ceilings and application essentials

Source: Government of Gujarat Resolution dated 25 September 2026.

Who is eligible?

Manufacturing, production, processing and job work of articles. Each assistance has its own conditions.

Scheme-specific MSME definition

Category	Plant & machinery investment
Micro	Up to ₹2.5 crore
Small	Above ₹2.5 crore to ₹25 crore
Medium	Above ₹25 crore to ₹125 crore

Gross plant & machinery investment across all units in India. This is the definition used by this scheme.

New, expansion or diversification

New project

Commercial production within the policy period. Separate identifiable investment and project accounts.

Expansion

At least 50% increases in fixed investment (excluding land) and capacity. At least 60% of new investment in machinery.

Diversification

Investment increase: at least 25% for micro/small and 50% for medium. At least 60% must be in machinery.

Expansion also has utilisation and timing tests, with separate micro provisions. Eligibility must be checked against the full definition.

Source: Government of Gujarat Resolution dated 25 September 2026.

Taluka category & eligible investment

EFCI means Eligible Fixed Capital Investment. It is the approved incentive base, not the full project cost.

Category A or B follows the notified taluka classification. For a project spanning talukas, the largest land-area share determines the category.

What can count, subject to conditions	What does not count in EFCI
New eligible buildings and related construction	Land and land development, working capital
New machinery, utilities and installation costs	Used machinery, old-building purchase/refurbishment
Eligible technology/design/patents within sub-limits	Goodwill, royalty and capitalised interest
50% of specified project-related infrastructure cost	Rented/leased assets and specified pre-operative costs

Investment window

Eligible assets must be acquired and paid for from 01 January 2026 within the permitted window. After production starts: 12 months for gross plant/machinery investment up to ₹50 crore, or 18 months above ₹50 crore to ₹125 crore.

Source: Government of Gujarat Resolution dated 25 September 2026.

Core incentives: general sectors

Capital, interest and power assistance share an overall ceiling. The headline rates must not simply be added.

Component	Category A	Category B	Period / component limit
Capital subsidy	35% of EFCI	25% of EFCI	Micro: 1 year Small/medium: over 5 years
Interest subsidy	7% on eligible term loan	7% on eligible term loan	5 years Maximum 10% of EFCI
Power tariff	₹2 per unit	₹1 per unit	5 years Maximum 25% of EFCI
Combined ceiling	**45% of EFCI**	**35% of EFCI**	**Across the three components over 5 years**

Annual ceilings (% of EFCI)

Small/medium: 9% (A), 7% (B). Micro: first year 37% (A), 27% (B), then 2% each year in years 2-5. No carry-forward of unused annual entitlement.

Interest: eligible bank/FI term loan, regular repayment and minimum 2% borrower interest. NBFC loans excluded. Power: no captive use, and only additional consumption for expansion.

Source: Government of Gujarat Resolution dated 25 September 2026.

Core incentives: selected thrust sectors

Sports goods/equipment, toys, footwear, robots and drones manufacturing, plus any subsequently notified sectors.

Component	Category A	Category B	Period / component limit
Capital subsidy	35% of EFCI	30% of EFCI	Micro: 1 year Small/medium: over 5 years
Interest subsidy	7% on eligible term loan	7% on eligible term loan	5 years Maximum 20% of EFCI
Power tariff	₹2 per unit	₹1 per unit	5 years Maximum 20% of EFCI
Combined ceiling	**50% of EFCI**	**45% of EFCI**	**Across the three components over 5 years**

Annual ceilings (% of EFCI)

Small/medium: 10% (A), 9% (B). Micro: first year 38% (A), 33% (B), then 3% each year in years 2-5. No carry-forward of unused annual entitlement.

The core loan, power and employment conditions also apply. Specified categories can receive an extra 1% interest support within ceilings. Additional selected-sector benefits appear on slide 10.

Source: Government of Gujarat Resolution dated 25 September 2026.

Employment support: EPF reimbursement

Support for eligible new employees working in Gujarat, within five years from commercial production.

Up to 5 years

Employer EPF contribution

The employee must have had no Universal Account Number (UAN) before joining the eligible enterprise.

Expansion/diversification claims cover the incremental employee count. Duplicate EPF reimbursement for the same period is excluded.

Employee category	Monthly ceiling
Men	₹1,800
Women	₹2,500
Employees with disabilities	₹3,000

Limited to the actual statutory employer contribution and the lower of 12% of defined pay or the category ceiling.

Maintain employee joining/UAN records, payroll and EPF payment receipts. Reimbursement may be quarterly.

Source: Government of Gujarat Resolution dated 25 September 2026.

Technology, digital & quality

General assistance provisions. Percentages apply to eligible expenditure, not the entire project cost.

Assistance	Rate	Maximum	Essential condition
ERP system	65%	₹1 lakh	Eligible software/installation/service cost. Hardware excluded.
ICT facilities	65%	₹5 lakh	Eligible networking, cloud-access, Industry 4.0 / AI facilities.
Technology acquisition	65%	₹50 lakh	Recognised technology source. Machinery/equipment purchase excluded.
Quality certification	50%	₹10 lakh	Eligible fees/testing equipment. Statutory certification and renewals excluded.
ZED certification	50%	₹50,000	Calculated after deducting Central Government assistance.
Patent registration	75%	₹25 lakh	Per applicant/enterprise. Attorney sub-limits and staged disbursement apply.

ERP: Enterprise Resource Planning. ICT: Information and Communication Technology. ZED: Zero Defect Zero Effect.
Deadlines generally run from installation, agreement, certification or patent publication, as relevant.

Source: Government of Gujarat Resolution dated 25 September 2026.

Energy & water efficiency

New and existing enterprises can assess eligible audit and equipment support.

Energy / water audit

75% of audit cost

Up to ₹50,000 each

One-time support for each audit type.
Audit by a recognised institution or consultant.

Recommended equipment

25% of equipment cost

Up to ₹20 lakh

One-time assistance for equipment recommended by the audit.
At least 10% savings against the previous 12-month average consumption.

Application: within six months of the audit report.

Where production growth affects consumption, the resolution provides for separate committee examination.

Source: Government of Gujarat Resolution dated 25 September 2026.

Other useful assistance

These benefits have separate eligibility rules and application triggers.

Assistance	Support	Key condition / timing
CGTMSE fees	100% annual service fees for 5 years	Eligible collateral-free term loan for manufacturing MSEs. Apply within PEC/FEC time limits.
Rent for manufacturing MSEs	65% of rent, or 75% for 100% women-owned enterprises Up to ₹3 lakh/year for 5 years	Eligible rented/leased manufacturing shed using power. Apply within 6 months of agreement/deed.
Power connection	35% of eligible charges Up to ₹5 lakh	Outside GIDC / approved industrial parks. Apply within 6 months of payment.
Electricity duty	Exemption as applicable	Subject to the Gujarat Electricity Duty Act, 1958 and applicable requirements.

CGTMSE support reimburses eligible fees, not the loan itself. Trading and service activities do not qualify for the CGTMSE-fee and rent assistance shown here.

Source: Government of Gujarat Resolution dated 25 September 2026.

Additional selected thrust-sector package

Only for eligible units in the selected sectors. These provisions are separate from the core incentive table.

Assistance	Support / ceiling	Important restriction
Stamp duty & registration	100% reimbursement	Eligible project land purchase/lease. Payable after production starts.
Intellectual property rights	75%, up to ₹1 crore	Eligible patent, design, copyright, trademark and GI expenses.
Technology acquisition	65%, up to ₹1 crore	Eligible technology. Plant, machinery and equipment purchase excluded.
International certification	100% eligible fees, up to ₹5 crore	Statutory certification, renewals and specified incidental costs excluded.
Employee training	Up to ₹8,000/person/month for first 12 months	Gujarat-domiciled trainees. One claim during the scheme period.
Creative design studio	50%, up to ₹5 crore	Eligible machinery, equipment, hardware and software for the studio.
AI subscription	80%, up to ₹1 lakh/year for 3 years	Eligible micro enterprises and artisans in selected thrust sectors only.

Each benefit has its own eligible expenditure and six-month application trigger. Confirm the relevant event before committing expenditure.

Source: Government of Gujarat Resolution dated 25 September 2026.

Applications, timelines & key conditions

DoCP = date of commercial production. PEC / FEC = Provisional / Final Eligibility Certificate.

Application route

Application	Time limit / trigger
PEC	Within 6 months of DoCP or the GR date, whichever is later.
FEC: investment completed	Normally within 6 months of project completion or the GR date, whichever is later.
FEC: investment incomplete	Within 6 months of the end of the eligible investment period.
Other assistance	Separate event-based deadlines, often 6 months from installation, agreement, certificate or audit report.

Conditions to maintain

Gujarat employment

For core incentives: at least 85% of total employees and 60% of managerial/supervisory staff domiciled in Gujarat.

Continuous production & compliance

Maintain production through the incentive period and applicable GPCB compliance. Breach can trigger recovery.

Combining assistance

Other State-scheme benefits are restricted unless expressly allowed. Central assistance remains subject to overall and component-specific caps.

Late FEC applications can reduce assistance, and the two-year outer limit applies. Other benefits may reject late applications outright.

Source: Government of Gujarat Resolution dated 25 September 2026.

Preparation & next steps

A clear project file helps assess eligibility and structure the funding requirement.

Project-readiness checklist

01 **Activity, ownership & location**
Manufacturing activity, registrations and taluka category.

02 **Project type & production date**
New, expansion or diversification, with capacity evidence.

03 **Investment & payment records**
Cost breakup, quotations/invoices and payment proof.

04 **Loan & assistance history**
Sanction/disbursement records and subsidies already claimed.

05 **Employment & compliance**
EPF/UAN records, domicile evidence, power bills and approvals.

Funding discussion

We can help assess the funding requirement and cash flow, structure suitable finance and prepare the lender proposal.

Share your project details with your subsidy adviser to know your eligibility.

Information only. This selected summary does not establish eligibility or guarantee assistance. The original resolution, amendments, guidelines and competent-authority decisions prevail.

Source: Government of Gujarat Resolution dated 25 September 2026.