



## Gujarat

### Fiscal Incentives, Exemptions & Subsidies

The following fiscal incentives/subsidies will be given to the SME sector industries:

#### **Interest subsidy**

- The existing scheme of providing interest subsidy to small scale units will also be continued with modification in view of fluctuating interest rates. Under the scheme, a new small scale unit will be offered an interest subsidy @ 5% per annum or Rs.5 lakhs whichever is less subject to a condition that the unit will have to pay a minimum of 5% of interest per annum. This benefit will be extended for a period of five years, subject to an overall ceiling of Rs 25 lakhs

#### **Cash Subsidy for common R&D activities**

- In order to survive and to thrive in the years ahead, activities of research and development would become an integral part of any industry. Government realises the importance of R&D in the industry and have therefore, decided to promote the same in a big way, more so in the small and medium sectors. The Government has therefore, decided to continue the present scheme of providing assistance in the form of cash subsidy at the rate of 50% subject to a maximum of Rs.5 lakhs for the necessary expenditure incurred towards R&D activities. Identified clusters could also take up collective R&D work under the scheme.