

Gujarat Industrial Policy 2015  
Scheme for assistance for Plastic  
industry

Government of Gujarat  
Industries & Mines Department  
Resolution No.MIS-102014-924790-I  
Sachivalaya, Gandhinagar  
Dated: 27.1.2015

**Read:-** Government of Gujarat, New Industrial Policy – 2015.

**Preamble**

Gujarat's economy is today at such a stage, that from here on it can move on an accelerated high-growth trajectory. The State of Gujarat has always been at the forefront of economic growth in the country. It is envisaged that development vision of Gujarat will continue to emphasize on integrated & sustainable development, employment generation and inclusive growth.

The state is geared towards development of robust infrastructure that will form the base for spurring a high growth. The state has a proven track record of attracting large number of investments and as a result, Gujarat has become the most sought out investment destination in India. There has been a balanced development in the field of agriculture, manufacturing and services, which has increased livelihood opportunities in the state. Gujarat accounts for more than 35 percent of total chemical production in the country. The available raw material with the State tends to initiate promotion and development of plastic industries on large scale.

The industrial policy aims to encourage the manufacturing sector to upgrade itself to using cutting edge technology and innovative means to significantly add value, creating products that command a niche position in the global markets. Building backward and forward linkages in the focus sectors will help in creating a strong multiplier effect in the economy, which would boost consumption and growth. Plastic industry is identified as specific sector focus to promote manufacturing industries. Investment in this sector will create vast opportunities for ancillary and downstream industries in the small, medium & large sector in the State. For the State Government, Plastic industry will be focal point for overall development of Gujarat State.

**Resolution**

In view of the strategy under New Industrial Policy the Government is pleased to introduce a "**Scheme for Assistance for Plastic Industry**" which will come into force from the date 1.1.2015 and will remain in operation for a period of five years.



## **1.0 Definitions**

### **1.1 New Enterprise:**

New Enterprise means which has filed Industrial Entrepreneurs Memorandum/ Entrepreneurs Memorandum and commences commercial production during the operative period of the Scheme.

### **1.2 Plastic Industry:**

Plastic Industry enterprise refers to that industrial unit, which engaged in manufacturing of plastic products/items/articles by using plastic as a raw materials available in the state. Plastic material means organic polymers of high molecular mass from petrochemicals such as Polyolefin (LLDPE, LDPE, HDPE, PP), PVC, Nylon, Polyesters, Polystyrene, Polycarbonate, polyamide (nylon 6, nylon 66) etc.

### **1.3 Eligible fixed Capital Investment**

Eligible fixed capital investment means the investment made in required building, new plant & machinery, equipment including cost of installation, erection, transportation, electrification and other related assets required for the manufacturing of the product. However, cost of land and land development will not be eligible.

## **2.0 Eligibility**

New enterprise which purchases raw material within the state will only be eligible.

## **3.0 Quantum of Assistance**

### **3.1 Assistance for Plastic Industry**

a. Interest subsidy @ 7% with the maximum amount of Rs. 1 crore per annum for period of 5 years.

b. VAT Related Incentive:

(1) The eligible unit shall pay the net VAT payable under the provisions of the Gujarat VAT Act, 2003 in the Government treasury.

(2) The eligible unit will be allowed reimbursement to the extent of 80% of the net VAT paid excluding the following: (a) Additional

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Tax, and (b) Reduction of ITC as per the provisions of the GVAT Act, 2003.

It is clarified that the amount paid on account of additional tax and the reduction of ITC as per the provisions of the GVAT Act, 2003 shall not be reimbursed.

- (3) Only 70% of eligible fixed capital investment of eligible unit will be considered for reimbursement.
- (4) The reimbursement will be available for a period of five years from the date of production or the completion of limit of 70% whichever is earlier.
- (5) The eligible unit shall be entitled for reimbursement upto 1/5<sup>th</sup> of eligible limit in a particular year.
- (6) Restrictions will be made to ensure that the amount reimbursed is not again claimed by the subsequent dealers by way of tax credit for interstate sales, branch transfer, consignment and export.
- (7) The eligible unit shall manufacture the goods in its own unit for which it is eligible for incentives.
- (8) The eligible unit shall not transfer its business during the incentive period, nor assign its rights and responsibilities to any other agency.
- (9) The eligible unit shall remain in production during the incentive period.
- (10) The scheme shall be reviewed under the GST regime, but the total of assistance shall not exceed that available under this scheme.

#### **5.0 Procedure and other conditions:**

- I. The enterprise will apply to Industries Commissioner in prescribed format along with detailed project report.
- II. The application will be scrutinized and will be put up before the Committee for approval.
- III. On Approval of the Committee, registration certificate will be issued.
- IV. On commencement of the commercial production the enterprise will apply to Industries Commissioner for assistance under the scheme.
- V. The detailed procedure for sanction and disbursement will be laid down by IC office.



VI. The enterprise that has availed assistance under this scheme will not be entitled to avail benefit under any other scheme of State Government, unless and otherwise specified under that scheme.

**6.0 State Level Empowered Committee (SLEC):-**

State Level Empowered Committee consisting of following members is constituted for approval of project and rate of assistance under the scheme.

Hon. Minister	Chairman
ACS/ Principal Secretary (Industries)	Member
ACS/ Principal Secretary (Finance)	Member
PS/ Secretary (Agro)	Member
PS/ Secretary (Labour)	Member
Industries Commissioner	Member
Jt./Dy. Industries Commissioner	Member –Secretary

**7.0 Budget Provision**

7.1 The expenditure on this account will be met from the sanctioned grant of the respective financial year under the following budget head:

Sr. No.	Budget Head	Para No. & Scheme
1.	Demand No. 49 Major Head 2852, 80(800) other expenditure (24) IND-5 Promotion Efforts for Industrial Development	Plastic Industry

This issues with the concurrence of Finance Department dt. 30.12.2014, received on the even number file of this Department.

By order and in the name of Governor of Gujarat,

*B.S.Mehta*  
(B.S.Mehta)

Deputy Secretary  
Industries and Mines Department

Copy to

- 1 Secretary to Hon'ble Governor of Gujarat\*
- 2 Principal Secretary to Hon. Chief Minister\*
- 3 Personal Secretary to all Hon. Ministers
- 4 Advisor to Hon. Chief Minister
- 5 Under Secretary to chief secretary
- 6 Principal Secretary. Finance Department
- 7 Personal Secretary to P.S. I&M.1)
- 8 C.E.O. GIDB
- 9 V.C & M.D. G.I.D.C., Gandhinagar
- 10 Industries Commissioner, Gandhinagar
- II Accountant General Rajkot/Ahmedahad.
- 12 Select File.

*B.S.Mehta*