



PLATISC POLICY - GUJARAT

By
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Scheme for incentive to Plastic industries

Scheme is valid from 1st January, 2015 to 31st December, 2019.

Applicability of scheme

Unit manufacturing of plastic products/items/articles by using plastic as main raw materials. Plastic material means organic polymers of high molecular mass such as Polyolefin (LLDPE, LDPE, HDPE, PP), PVC, Nylon, Polyesters, Polystyrene, Polycarbonate, polyamide (nylon 6, nylon 66), etc

Eligible fixed Capital investment

Investment made on or after 1-1-2015 and on or before the date specified for completion of investment:

- New Building –
- New plant and machinery / equipment
- Imported second hand plant and machinery/ equipment having residual life of minimum five years as certified by chartered Engineer
- Cost of installation, erection, transportation, electrification
- other related assets for manufacturing product

LAND COST IS NOT AVAILABLE

Additional conditions

- Undertaking shall be required to employ persons domiciled in Gujarat to extent of at least 85% of its total number of employees
- Managerial and supervisory capacity person shall not be less than 60% domiciled in Gujarat

Time period for eligible investment

Fixed assets acquired after 1.1.2015 and upto following time

MSME	6 months from the DOCP
Investment upto Rs.100cr	12 months from the DOCP
Investment more than Rs. 100 crore	18 months from the DOCP

DOCP: Date of Commencement of Production

Quantum of incentive

1) **Interest Subsidy** : @7% p.a. interest on the term loan – maximum Rs. 1 crore p.a. for period of 5 years.

2) **SGST related incentive**

% of eligible investment	% of net SGST reimbursement	Incentive period (no. of years)
75%	80%	7

eligible enterprise entitled to avail SGST incentive to the extent of 1/7th of ceiling in particular year.

Incentive mechanism

1) SGST Incentive:

Capital investment	30 crores
eligible fixed capital investment– 75%	$30 * 75\% = 22.5$ crore
Eligible maximum refund per year for 7 year	3.21 crore per year

SGST	(in crore)
(A) SGST collected	Rs. 8.55
(B) SGST/IGST paid on purchase	Rs. 4.50
(C) SGST Paid (A-B)	Rs. 4.05
SGST eligible @ 80% of C	Rs. 3.24
Maximum refund available	Rs. 3.21

2) **Interest incentive:** term loan of Rs. 20 crore @10% p.a.

Interest amount – 20 crore term loan * 7% interest rate = 1.4 crore – maximum eligible interest would be Rs. 1 crore

Total Reimbursement = Rs. 3.21 cr + 1 cr = Rs. 4.21 cr



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