

# Capital and Interest Incentive – MSME - 2015

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# **Scheme for MSME for interest and Capital**

Scheme is valid from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> December, 2019.

## **Eligible fixed Capital investment**

- New Building –
- New plant and machinery / equipment
- Electrification, tools, accessories, Utilities
- Effluent treatment plant

**LAND COST and Second hand machinery IS NOT AVAILABLE**

## **Eligible Enterprise**

- New Enterprise
- Exiting enterprise carrying out expansion/diversification with investment more than 50% of (out of which minimum 60% investment should be in plant and machinery) its existing gross fixed capital investment on date of initiating expansion/ diversification
- Service sector not eligible for capital subsidy but interest subsidy eligible

## **Eligibility**

- Obtain first disbursement of term loan on or after 1/4/2017 and commenced commercial production during operative period of scheme

## Capital investment subsidy

Investment in Plant and Machinery	Municipals corporation		Out side municipal corporation	
	% of subsidy on term loan	Max. limit	% of subsidy on term loan	Max. limit
upto Rs. 50 Lakh	15%	15 lakh	20%	25 Lakh
More than Rs. 50 Lakh upto Rs. 2crore	12%	15 lakh	17%	25 Lakh
More than Rs. 2crore upto Rs. 10 crore	10%	15 lakh	15%	25 Lakh

## Interest subsidy

Maximum period	Municipals corporation		Out side municipal corporation	
	% of interest subsidy on term loan	Max. limit	% of interest subsidy on term loan	Max. limit
5 years	5%	Rs. 25 lakh	7%	Rs. 30 lakh

- 1% additional for physically challenged entrepreneur/ women entrepreneur in manufacturing and service sector
- 1% additional for young entrepreneur below age of 35 years on date of sanction of loan

## Conditions

- Apply to authority within one year from date of first disbursement of loan or on or before the date of commencement of production whichever is later
- Loan sanctioned by bank or financial institution as per RBI
- Enterprise shall obtain Pollution control certificate
- Enterprise to employ atleast 85% of total employment and 60% supervisory and managerial staff from local persons.
- Enterprise has to give undertaking to confirm that he has paid all government dues on his letter head



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