

Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan

Details (Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan)

The scheme "Interest Subsidy on Term Loan" is a sub scheme under the "Incentive Scheme for MSMEs in Powerloom Sector". It was launched on 1st January, 2022, by the Department of Micro, Small & Medium Enterprises and Textiles, Government of West Bengal, and shall remain valid upto 31st December, 2024. Objective of the "Incentive Scheme for MSMEs in Powerloom Sector": The objective of the Scheme is to extend fiscal incentives for installation of New age shuttleless Powerlooms by MSMEs in Textile sector with a view to boost production of the improved quality fabrics and to create a sustainable ecosystem for MSMEs in Textile sector which can maximize the utilization of resource, generate new employment and widen the area of operation to make the State emerge as the leader in Powerloom sector in country. Objective of the "Interest Subsidy on Term Loan" Sub-scheme: Through this incentive, an eligible micro, small or medium enterprise in Powerloom sector will be entitled to Interest Subsidy on annual interest liability on the Term Loan borrowed from a Commercial Bank/ Cooperative Bank/ Scheduled Banks approved by RBI/ RRBs/ Financial Institution (Central and State) for implementation of the approved project.

Objectives (Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan)

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Important Features (Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan)

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Benefits (Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan)

- Micro & Small Enterprise: Zone A & B: 55% of interest liability for 5 years. Zone C, D & E: 70% of interest liability for 5 years Medium Enterprise: Zone B, C, D & E: 25% of total Term Loan interest paid

by the enterprise for 5 years subject to a ceiling of ■ 1,75,00,000/

- per year. Note: The interest subsidy will be payable annually subject to submission of a statement / certificate (in Annexure
- II) by the lending Bank /Financial Institution to substantiate that the unit has paid the due interest to the institution on the due dates and has not defaulted in payment of interest at any time during the period.

Eligibility (Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan)

- The Scheme shall be generally applicable to all micro, small, and medium enterprises (MSMEs) in the powerloom sector. Enterprises must have started production from 01.01.2022 to 31.12.2024. Enterprises should have executed a Four party agreement with the Directorate of Textiles, Financial institution and Tantuja. The units should be a private sector, cooperative sector and joint sector undertaking as also companies/undertakings owned and managed by the State Government and the Industrial SHGs. The project should be covered by a detailed feasibility report/project prepared for the purpose. The project should have been approved and sanctioned by a Central Financial Institution or Commercial Banks or State Financial Institutions.

Application Process (Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan)

- After commencement of production an eligible micro, small or medium enterprise in Powerloom segment claiming the subsidy, will submit an application as per prescribed format in Form-A2 with all the relevant documents to the Directorate of Textiles.
- Time frame for submission of first Application: Within 12 months from the date of commencement of commercial production (01.01.2022 to 31.12.2024).
- Address: Directorate of Textiles, Handlooms, Spinning Mills, Silk Weaving & Handloom Based Handicrafts Division New Secretariat Buildings, 1, K.
- S.
- Roy Road, 5th Floor, 'B' Block, Kolkata 700001.
- Tel No.
- 033-2248 4537 / 2248 6271 (Ext.
- 215) Fax No.
- 033-2248 4537

Documents Required (Incentive Scheme for MSMEs in Powerloom Sector: Interest Subsidy on Term Loan)

- A copy of the Memorandum of Association and Articles of Association authenticated by the Registrar of Companies/ partnership deed (wherever applicable). A statement on the name and address of the Directors /Partners /Owners of the enterprise/ Members of Cooperative or Self Help Groups
- as applicable. Copy of approved project report. A copy of loan sanctions letter and disbursement letter issued by financial institutions/ banks. Copy of agreement. A copy of the audited balance sheet for the last 2 years wherever applicable. Existing manufacturing activities in West Bengal stating items
- annual approved capacity
- annual production during the last three years (in quantity and value in Rs. Lakh)
- if applicable. Copy of the land deed (wherever applicable) (In case of rented /leasehold land / buildings
- copy of rent agreement and receipt /lease agreement). Copy of mutation & conversion certificate of land/ building. Copy of valid consent to operate certificate from the WBPCB. Copies regarding SGST. Copy of trade licence. Copy of first electricity bill (wherever applicable) Copy of acknowledgement of Udyam Registration Copy of SC / ST certificate wherever applicable. Copy of other statutory licenses/certificates
- if necessary. "Self declaration" as per para 7.1(vi) of the Official Scheme Guidelines . A certificate from Bank/FI as per Annexure-II. ■