

**Operational Guidelines for  
Sanction & Disbursement of Interest Subsidy & Reimbursement of Guarantee Fee  
under CGTMSE Scheme under IPR-2015**  
(See Para – 5.4.2 (a) & (b) of IPR 2015)

1. **Short Title:** - Operational guidelines for Sanction & Disbursement of Interest Subsidy & Reimbursement of Guarantee Fee under CGTMSE Scheme under provisions of para-5.4.2 (a) & (b) of Industrial Policy Resolution. 2015
2. **Extent:** - It shall extend to the whole of the State of Odisha.
3. **Commencement:** - It shall come into force from the "Effective Date" of Industrial Policy Resolution 2015 i.e. 24.08.2015.
4. **Terms and Expressions:-** Terms and expressions used in this operational guideline, but not specifically defined here, shall have the same meaning as in Industrial Policy Resolution-2015.

5. **Policy Provisions:** -

5.1 **Para 5.4.2 (a) of IPR 2015**

- a) New industrial unit coming under Micro, Small and Medium Enterprise and non MSME priority sector shall be entitled to interest subsidy for timely payment @ 5% per annum on term loan availed from Public Financial Institutions / Banks for a period of five years from the date of commencement of production subject to a total maximum limit of -

Rs 10 lakhs for Micro Enterprises;

Rs 20 lakhs for Small Enterprises;

Rs. 40 lakhs for Medium Enterprise and

Rs 1 Crore for non MSME Priority Sector Units

Units which are classified as a NPA at the time of making the application will not be eligible to avail such incentives.

For units in Kalahandi, Nuapada, Bolangir, Subarnpur, Koraput, Malkangiri, Rayagada, Nawrangpur, Khandamal, Gajapati and Mayurbhanj, the reimbursement period will be seven years from the date of commencement of production subject to the aforesaid limit.

- b) Provided further that the concerned promoter(s) would not have defaulted to OSFC /IPICOL /SIDBI /Banks /Public Financial Institutions /other Government agencies in connection with the unit for which the incentive is sought or for any other unit/ activity with which concerned promoter is directly or indirectly associated.

- c) Entitlement for interest subsidy shall be contingent on timely repayment of loan instalments along with interest

**5.2 In addition to interest subsidy @ 5% per annum, the guarantee fee charged under CGTMSE (Credit Guarantee Trust for Micro & Small**

**Enterprises) Scheme charged to Micro & Small Enterprises will be reimbursed to the enterprise in order to improve the CGTMSE coverage for collateral free loans in the State.**

6. **Eligibility:-**The following industrial units shall be entitled to interest subsidy as applicable.

6.1 New industrial unit coming under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority sector.

6.2 Migrated industrial unit treated as new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority Sector.

6.3 Rehabilitated sick industrial unit treated at par with new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority Sector and duly recommended by State Level Inter Institutional Committee (SLIIC) for this incentive.

6.4 Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951 / SARFAESI Act, 2002 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority Sector.

6.5 Pioneer Units under each Priority sector shall be eligible for extension of period of incentives for an additional two years over and above the limit specified, provided the unit has been in continuous production during the normal period of incentive.

6.6 The units as stated above at point 6.1, 6.2, 6.3, 6.4 & 6.5 are eligible provided further that the concerned promoter(s) would not have defaulted to OSFC / IPICOL / SIDBI / Banks / Public Financial Institutions / other Government agencies in connection with the unit for which the incentive is sought or for any other unit / activity with which concerned promoter is directly or indirectly associated and entitlement for interest subsidy shall be contingent on timely repayment of loan instalments along with interest

6.7 Industrial unit that has availed interest subsidy under any other scheme of the State Govt. or the Central Govt. or Govt. Agencies or any Financial Institution(s) shall be eligible for the differential amount of benefit only.

6.8 Units which are classified as a NPA at the time of making the application will not be eligible to avail incentives.