

Credit Linked Special Incentives Package for Micro & Small Enterprises.

The Micro & Small Enterprises in Manufacturing & Service Sector plays a vital role in the economy and providing employment. So, it is important to develop a mechanism for sustainable growth of these Micro & Small Enterprises in the State.

Entrepreneurs in Assam are facing shortage of start-up capital. Financial Institutions are also not interested to provide loan to Micro & Small Enterprises in the pretext of non-performing assets created with the provided loan.

In order to keep momentum of sustainable growth of Micro & Small Enterprises as well as to encourage the scheduled commercial banks/ Financial Institutions to finance viable projects, Hon'ble Chief Minister announced "Credit Linked Special Incentives Package to the Micro & Small Enterprises" to provide interest subsidy to avoid Non-performing assets in his Budget Speech, 2015.

1. Objective of the Scheme:

To boost up credit flow to the Micro & Small Enterprises and to make the Micro & Small Industries viable, it is proposed to provide Interest Subsidy on Term Loan to the new Micro & Small Enterprises which have gone for Commercial Production between 01.03.2014 to 31.03.2016. The Scheme will be remained in force for one year. i.e. 01.04.2015 to 31.03.2016.

2. Area of Implementation:

The Scheme will be implemented in 21 (Twenty One) Districts excluding the Sixth Schedule areas. However, similar scheme may be adopted by the Sixth Schedule Districts.

3. Target Group:

Micro & Small Enterprises which have gone for Commercial Production between 01.03.2014 to 31.03.2016.

4. Implementing Agencies:

Industries & Commerce Department, Govt. of Assam will implement the scheme through the District Industries & Commerce Centers by a committee comprising the following members:

i.	General Manager- District Industries & Commerce Centers	Chairman
ii.	Lead District Managers of the District	Member
iii.	Concerned Branch Manager	Member
iv.	Functional Manager	Member Secretary

5. Quantum Of Assistance:

- i. **Micro Enterprises-** @ 40% of the Interest charged by Scheduled Commercial Bank/AFC for the period 01.04.2015 to 31.03.2016 on Term Loan subject to a maximum ceiling of Rs. 2.00 Lac per unit per year.

- ii. **Small Enterprises-** @ 30% of the Interest charged by Scheduled Commercial Bank/AFC for the period 01.04.2015 to 31.03.2016 on Term Loan subject to a maximum ceiling of Rs. 5.00 Lac per unit per year.

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Terms and Conditions:

The application sponsored to the bank/ Financial Institutions by the DICCC for the Sanction of the Loan for Micro & Small Enterprises by the Entrepreneurs should be taken into consideration on interest incentives in these schemes:

- (1) The unit must be filled EM-II
- (2) The cases should be considered quarterly.
- (3) The PMEGP, Angel Fund and benefit under other similar incentives from the Govt. or any other institute should not be entertained under this scheme.
- (4) The loanee himself have to repay at least first 3 (Three) installments to be illegible under the scheme.
- (5) While considering the beneficiaries preference should be given to non defaulter unit thereafter first, second and third defaulter.
- (6) Non functioning unit should not be considered under this interest incentives.
- (7) The GM - DICCC should collect the bank statement on accrued interest on loan quarterly and it should be placed before the committee.
- (8) The list of beneficiaries approved by the District Level Committee, should be sent to the Commissioner Of Industries & Commerce, Assam to releases the approved fund to the banks concerned directly against the loan accounts of the loanee.

Timeline:

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| I. Collection of Bank Statement on Accrued Interest 1 st Quarter: | 31 st July, 2015 |
| Collection of Bank Statement on Accrued Interest 2 nd Quarter: | 31 st October, 2015 |
| Collection of Bank Statement on Accrued Interest 3 rd Quarter: | 31 st January, 2016 |
| Collection of Bank Statement on Accrued Interest for January and February: | 15 th March, 2016 |
| II. Approval by District level Committee: | Within 15 days of receipt of claims |
| III. Submission of claims to CI&C: | Within 15 days of DLC approval |

Monitoring:

The Commissioner of Industries & Commerce, Assam will Monitor this Scheme under his Administrative Control.

