



### Fiscal Incentives, Exemptions & Subsidies

#### **Determination of date of commercial production**

The date of commercial production for availing of incentives on sales tax or for, any other incentive, shall be the date determined by the Shilpa Sathi for small scale industrial units and the Shilpa Jyoti for the medium and large industrial units, basing on the totality of documentary evidence and recommendation of promotional or financial agencies, if any.

#### **Interest Subsidy**

- New small scale industrial units in priority sectors will be entitled to interest subsidy @ 5% per annum for a period of five years from the date of commercial production on term loans availed from recognised Financial Institutions/Banks.
- Small Scale Industrial Units (existing or new) which undertake modernisation will be eligible for interest subsidy at the rate of 5 per cent per annum for a period of five years from the date of completion of modernisation on the term loans availed from the recognised Financial Institutions/ Banks. This will be applicable to units where undepreciated book value of the investment on plant and machinery before modernisation is within the small scale limit as prescribed.
- The interest subsidy will be limited to Rs. 20 lakhs in case of Small Scale Units and Rs. 10 lakhs in case of Tiny Units :
- Provided that the amount of interest subsidy payable under the above two clauses will stand reduced to the extent, there is any interest subsidy payable under any other scheme of either the State Government or the Central Government or any financial institution such as SIDBI, NABARD, etc. Further the effective interest rate after the administration of interest subsidy will be minimum 10 per cent i.e., if the normal lending rate is 16 per cent the effective lending rate after interest subsidy

will be 11 per cent and if the normal lending rate is 12 per cent after interest subsidy the effective lending rate will be minimum 10 per cent and in this case the interest subsidy will be limited to 2 per cent :

Provided further that the concerned promoter(s) would not have defaulted to OSFC/IPICOL/ SIDBI/Banks/Recognised 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.

The industrial units established in the following Districts Kalahandi, Nuapada, Balangir, Sonapur, Koraput, Malkangiri, Rayagada, Gunupur, Gajapati and Deogarh will get additional interest subsidy at the rate of 5 per cent of the capital investment or Rs. 5 lakhs whichever is less as an incentive for backward area development