



# **SNS COLLEGE OF TECHNOLOGY**

**(An Autonomous Institution)**



**COIMBATORE-35**

**Accredited by NBA-AICTE and Accredited by NAAC – UGC with A+ Grade**

**Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**

**DEPARTMENT OF ELECTRICAL AND ELECTRONICS ENGINEERING**

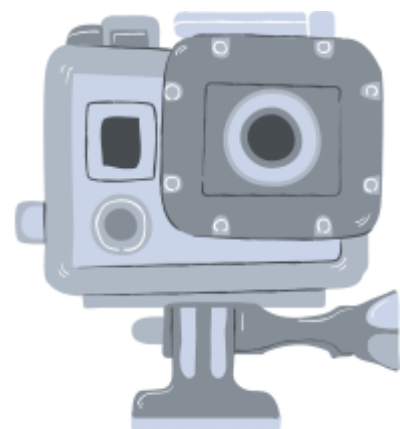
**COURSE NAME: 19MEE301/ ENGINEERING ECONOMICS AND COST  
ANALYSIS**

**III YEAR / V SEMESTER**

**Unit 4 –FINANCING**

**Topic 2: ASSISTANCE FROM GOVERNMENT**

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# Introduction:

Government Subsidies/  
Grants/ Schemes for  
Entrepreneurs



## ▶ MOST IMPORTANT FACTOR - CAPITAL

- Own Funds - Limitations
- Loan from Bank - Interest Cost





# Want Discounts on Capital Investments???







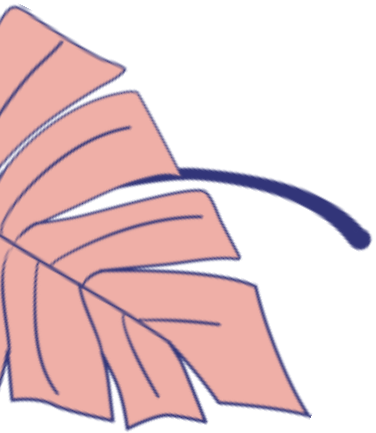
# Assistance from Government



- ▶ Subsidy is financial support by Government to economic sector for promotion of sector.
- ▶ Subsidy may be in kind also.
- ▶ Various types of subsidies are granted by Government as per the nature of sector, viz. capital subsidy, production subsidy, export subsidy, tax subsidy, Stamp duty consession, interest cost subsidy, power tarriff discounts etc.







# Assistance from Government – Cont..



- ▶ Credit Linked Subsidy – Available only if projects are financed by Commercial Banks, Regional Rural Banks, State Cooperative Banks, State Cooperative Agricultural and Rural Development Bank, Agriculture Development Finance Companies, Urban Co-operative Banks, financial institutions eligible for refinance by NABARD and subsidy shall be released through NABARD or NCDC as per Financial Institution involved.
- ▶ No Interest is chargeable on subsidy
- ▶ Repayment Schedule will include subsidy amount also and will be not less than 5 years from disbursement



# Government Schemes for development of Agriculture



## ▶ Subsidy –

- ❖ Rate of subsidy-25% of capital cost of project, maximum of Rs. 50 lacs & 33.33% for North Eastern States, SC/ST, maximum of Rs. 60 lacs.
- ❖ Assistance would be credit linked and subject to sanction of the infrastructure project by the Banks.

- ▶ No Interest on Subsidy Portion shall be charged.
- ▶ Implementing Agency: The Directorate of Marketing & Inspection (DMI), Office of Department of Agriculture & Cooperation.
- ▶ Projects will be financed through NABARD along with participating banks and NCDC.





# Government Schemes for development of Agriculture



- ▶ **Assistance** – Upto 50% of assistance for seeds under various schemes for rice, wheat, Bajra, Jowar, Ragi, Barley, Oilseeds, Pulses, Maize, Oil Palm Sprouts, Cotton Seeds, Jute, etc.
  
- ▶ **Schemes**
  1. Macro Management Mode of Agriculture- State Work Plan
  2. Integrated Scheme on Oilseeds, Pulses, Oil Palm and Maize
  3. Technology Mission on Cotton
  4. Technology Mission on Jute & Mesta
  5. National Food Security Mission
  6. Seed Village Programme
  7. Hybrid Rice Seed Production



# Government Schemes for Industries



- ▶ CLCS (Credit Linked Capital Subsidy) Scheme is introduced by Ministry of Small Scale Industries for SSI Units in various industries.
- ▶ Indicative List of Industries:
  - Pickles, Sauces, Bakery Products, Spice grinding, rice milling, wheat flour mill, namkeen making, etc.
  - Interlocking pavements blocks, cement concrete blocks, concrete pipe making
  - Foundries – Iron & Steel
  - Gold plating & Jewellery
  - Steel & Wooden Furniture
  - Rubber, leather, wood, plastic based sports goods
  - Readymade garments
  - Agricultural implements & post harvest equipments
  - Khandsari Industry, Edible Oil Extraction & Oil Cake manufacturing
  - Papad, Masala Making, Dal processing





# Government Schemes for Industries



## CLCS Scheme for Technology

- ▶ **Objective** – Technology upgradation of the current unit for improved productivity, quality of products, environmental conditions including packaging, pollution measures & energy conservation machinery.
- ▶ **Subsidy & Assistance** –
  - Rate of subsidy – 15% on eligible plant & machinery subject to maximum limit of Rs. 15 lacs
  - Ceiling on loans under the scheme – Rs. 1 Cr



*Thank  
You!*

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