


Budget 2025 Proposal for MSMEs

The Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME) provides 60% guarantee coverage on loans up to ₹100 crore for eligible MSMEs with a valid Udyam Registration. At least 75% of the project cost must be for equipment or machinery. Loans up to ₹50 crore offer an 8-year repayment with a 2-year moratorium. The annual guarantee fee is nil for the first year and 1.5% thereafter. The scheme is valid for 4 years or until the guarantee limit of ₹7 lakh crore is reached

Credit Cards for Micro Enterprises: Customised Credit Cards with a ₹ 5 lakh limit for Micro enterprises registered on Udyam portal. In the first year, 10 lakh such cards will be issued.

Scheme for first-time Entrepreneurs: For 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs to provide term loans up to ₹ 2 crore during the next 5 years.

Credit Facility:

	Current	Revised
MSEs	5 Cr	10 Cr
Startup	10 Cr	20 Cr
Exporter MSMEs	For Term Loans Up To INR 20 Crore	

Thrust Sector

1. Auto, Auto Components & Light Engineering
2. Textiles and Apparels
3. Defence and Aerospace Manufacturing
4. Pharmaceutical & Medical Devices
5. Chemical and Petrochemicals
6. Large Scale Energy and Data Storage

Incentive Type	D Blocks	C Blocks	B Blocks
Investment Subsidy in lieu of Net SGST	50% for 10 yrs, (Cap: 150% of FCI)	50% for 8 yrs, (Cap: 125% of FCI)	50% for 7 yrs, (Cap: 100% of FCI)
6% Interest Subsidy on TL Max INR 20L (Micro & Small)	7 years	7 years	5 years
Employment Generation Subsidy (₹48000 p.a.)	10 years	10 years	10 years
Stamp Duty Refund	100%	100%	80%
100% Electricity Duty Exemption	20 Years	15 Years	10 Years
EDC Charges	100%	75%	60%

Large Enterprise Incentives (Standard Package)

Incentive Type	D Blocks	C Blocks	B Blocks
Investment Subsidy in lieu of Net SGST	50% for 7 yrs, 35% for 3 yrs (Cap: 125% of FCI)	50% for 5 yrs, 25% for 3 yrs (Cap: 100% of FCI)	30% for 5 yrs, 15% for 3 yrs (Cap: 100% of FCI)
Employment Generation Subsidy (₹48000 p.a.)	10 years	10 years	10 years
Stamp Duty Refund	100%	75%	60%
100 % Electricity Duty Exemption	10 Years	7 Years	5 Years
EDC Charges Exemption	100%	75%	60%

Large Enterprise – Investment in Plant & Machinery exceeding INR 125 Cr or turnover above INR 500 Cr.

Micro, Small and Medium Enterprise (MSME) Incentives

Medium Enterprise – Investment in Plant & Machinery up to INR 125 Cr. and turnover up to INR 500 Cr.

Small Enterprise – Investment in Plant & Machinery up to INR 25 Cr. and turnover up to INR 100 Cr.

Micro Enterprise – Investment in Plant & Machinery up to INR 2.5 Cr. and turnover up to INR 10 Cr.

Incentive Type	D Blocks	C Blocks	B Blocks
Subsidy- Net SGST	50% for 10 yrs, 35% for 3 yrs (Cap: 150% of FCI)	50% for 7 yrs, 35% for 3 yrs (Cap: 125% of FCI)	50% for 5 yrs, 25% for 3 yrs (Cap: 100% of FCI)
5% Interest Subsidy on TL (Max ₹20L/year for Micro & Small)	5 years	5 years	3 years
6% for Interest Subsidy on TL for Max 20L Women/SC/ST (Micro)	5 years	5 years	5 years
Employment Generation Subsidy (₹48000 p.a.)	10 years	10 years	10 years
Stamp Duty Refund	100%	75%	60%
100% Electricity Duty Exemption	12 Years	10 Years	7 Years
EDC Charges Exemption	100%	75%	60%

IncentiveType	B Block	C Block	D Block
Capital Investment Subsidy	35% up to ₹2.5 Cr	40% up to ₹3.5 Cr	40% up to ₹3.5 Cr
Stamp Duty	80%	100%	100%
Investment subsidy in lieu of Net SGST	25% for 8 years (100% FCI)	50% for 10 years (125% FCI)	50% for 10 years (125% FCI)
Interest Subsidy on Term Loan	6% (Max ₹20L/yr)	7% (Max ₹30L/yr)	7% (Max ₹50L/yr)
Freight Assistance for EOU	1% of FOB value or actual freight (Max ₹10L)	1% of FOB value or actual freight (Max ₹15L)	1% of FOB value or actual freight (Max ₹20L)
100% Electricity Duty Exemption	10 Years	15 Years	20 Years
Employment Generation Subsidy (₹48000 p.a.)	10 Years	10 Years	10 Years
Fire Insurance Policy Support	75% (Max ₹5L)	75% (Max ₹10L)	75% (Max ₹10L)

Agro-Based, Food Processing & Allied Industry

Incentive Type	D Blocks	C Blocks	B Blocks
Investment Subsidy in lieu of Net SGST	100% for 10 yrs, (Cap: 150% of FCI)	75% for 8 yrs, (Cap: 125% of FCI)	50% for 7 yrs, (Cap: 100% of FCI)
7% Interest Subsidy on TL (Max INR 20L for Micro & Small)	7 years	7 years	5 years
Employment Generation Subsidy (₹48000 p.a.)	10 years	10 years	10 years
Stamp Duty	100%	100%	80%
100% Electricity Duty Exemption	20 Years	15 Years	10 Years
EDC Charges	100%	75%	60%

Primary Processing Centre engaged in washing, grading, waxing, drying, packaging, cold chain and processing of fruits & vegetables using local produce as raw material for bank finance. The subsidy will also include 35% grant-in-aid being provided by Govt.

Incentive Type	D Blocks	C Blocks	B Blocks
Capital Subsidy for P&M	50% of FCI (Max 1.75 Cr)	50% of FCI (Max 1.75 Cr)	50% of FCI (Max 1.75 Cr)

Excise Duty Exemption: Wines/ Liquors/ Brandy made from 100% fruits and Barley produced in the State will be exempted from the

Electronics System Design & Manufacturing (ESDM)

Incentive Type	D Blocks	C Blocks	B Blocks	A Blocks
Investment Subsidy in lieu of Net SGST	50% for 10 yrs, (Cap: 100% of FCI)	50% for 10 yrs, (Cap: 100% of FCI)	50% for 10 yrs, (Cap: 100% of FCI)	50% for 5 yrs, (Cap: 100% of FCI)
6% Interest Subsidy on TL (Max INR 20L for Micro & Small)	7 years	7 years	5 years	
Employment Generation Subsidy (₹48000 p.a.)	10 years	10 years	10 years	
Stamp Duty	100%	100%	100 %	-
100% Electricity Duty Exemption	10 Years	10 Years	10 Years	10 years
EDC Charges	100%	100%	100%	-

Note: Assistance for Waste Management Financial assistance @50% of project cost [land and building subject to maximum of 25% of Project cost], machinery & equipment up to Rs. 50 Crore to facilitate setting up of electronic waste management and e-waste recovery projects