Dear Friend,

Hon'ble Prime Minister while launching outreach initiative for MSME sector on the November 2nd 2018 announced a 2% interest subvention for all GST & UAM registered MSMEs maximum up to Rs. 1 crore, on fresh or incremental loans. The Scheme called "Interest Subvention Scheme for Incremental credit to MSMEs 2018" is being implemented over 2018-19 and 2019-20 with an allocation of Rs.975 crore.

All the MSMEs, who have the following shall be eligible as beneficiaries under the Scheme:

- Valid Udyog Aadhar Number [UAN]
- Valid GSTN Number
  - Incremental term loan or fresh term loan or incremental working capital extended during the current FY viz, from 2nd November 2018 and next FY would be eligible for coverage.
  - The term loan or working capital extended by Scheduled Commercial Banks and RBI Registered Systemically Important Non-Banking Finance Companies [NBFCs].
  - In order to ensure maximum coverage and outreach, all eligible working capital or term loan would be eligible for coverage to the extent of Rs. 100 lakh only during the period of the Scheme.
  - Wherever for a single MSME both the facilities are extended viz. incremental working capital and term loan by an eligible institution, interest subvention would be made available only for a maximum financial assistance of Rs. 100 lakh.
  - MSME exporters availing interest subvention for pre-shipment or post-shipment credit under Department of Commerce will not be eligible for assistance under Interest Subvention Scheme for Incremental credit to MSMEs 2018.
  - MSMEs already availing interest subvention under any of the Schemes of the State / Central Govt. will not be eligible under the proposed Scheme.
  - The Scheme aims at encouraging both manufacturing and service enterprises to increase productivity.
  - **SIDBI shall act as a Nodal Agency** only for the purpose of channelizing of interest subvention to the various lending institutions through their Nodal office.
  - The scheme would be monitored by a Governing Board [GB], chaired by Additional Secretary & Development Commissioner, Ministry of MSME. The GB shall consist of representatives of the DFS(MoF), SIDBI and public sector banks and MSME associations as members.

For further detail please visit our website: