

Interest Subsidy- Guidelines

Applicability

Interest subsidy of up to 6% per annum on term loans taken during the policy period will be provided to registered KESDM Startups and MSMEs, for a period of five years for loans of up to INR 50 Lacs. The term loan must have been taken from a scheduled bank or a state-level financial institution such as KSFC. This interest subsidy will be payable to financial institutions on behalf of the enterprise only if the enterprise has not defaulted in payment of either principle or interest installments. The amount of interest subsidy will be effective rate of interest (after deducting interest subsidy receivable by any institution(s) under any Government of India scheme) or 6% per annum whichever is lesser (on a per annum basis).

Documents Required

- Duly filled application form for Interest Subsidy
- Copy of the KESDM Registration Certificate
- Bank/Financial institution term loan sanction letter
- Certificate from the bank regarding dates and amount of term loan released
- Copy of First Sale Invoice
- Certification from the bank for claiming interest subsidy in the prescribed proforma
- Loan account statement from the bank

Application Process and Form

After receiving the application, the officer-in-charge will verify the submitted documents. The certificates received from the Bank will also be scrutinized and if required, the officer may contact the Bank / Branch Manager to independently verify the details.

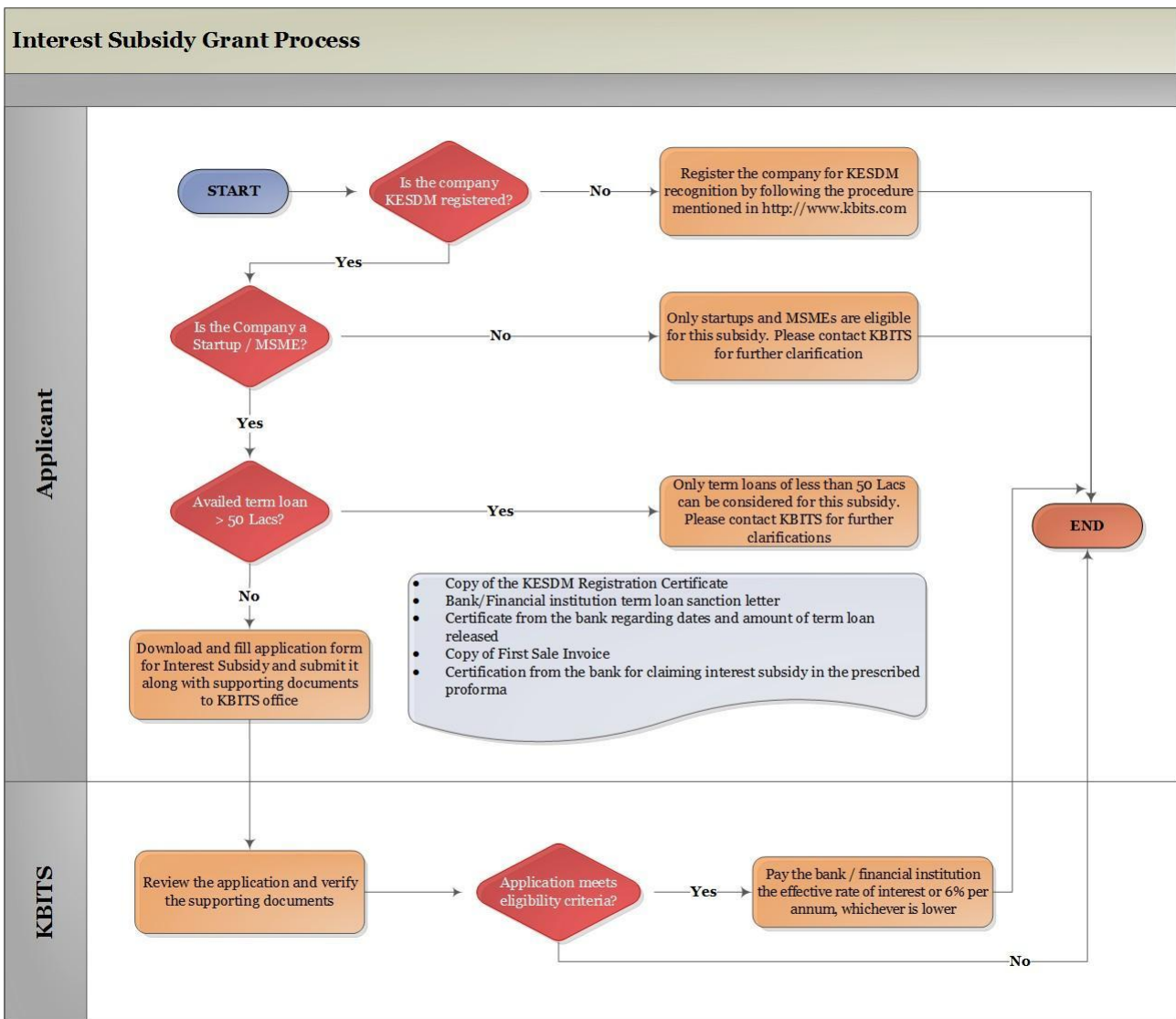
Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

Form 7 : Application Form for Interest Subsidy

KESDM Registration Number:		
Name of the Company:		
Date of Incorporation:		
Details of Scheduled Bank / Financial Institution that granted the term loan:		
Details of the Loan: (whichever is applicable)		
1	Date of Sanction:	
2	Sanctioned Amount:	
3	Rate of Interest:	
4	Amount of Loan Released with Dates: (All Disbursements)	
5	Repayment Schedule: (Installment Amount and No. of Installments)	
Interest Subsidy Claimed:		

List of Documents to be Furnished:

- Copy of the KESDM Registration Certificate
- Bank/Financial institution term loan sanction letter
- Certificate from the bank regarding dates and amount of term loan released
- Copy of First Sale Invoice
- Certification from the bank for claiming interest subsidy in the prescribed proforma



Certificate from the bank regarding dates and amount of term loan released

(To be printed on bank/financial Institution letterhead and duly signed and affixed with bank/entity seal)

CERTIFICATE FROM THE BANK REGARDING DATES AND AMOUNT OF TERM LOAN RELEASED

This is to certify that M/s. (mention name and address of the enterprise) has been sanctioned term loan of INR under letter/sanction order no. dated The following amounts has been released/disbursed to the enterprise are as follows:

SI No.	Date of release	Amount released in INR
1		
2		
3		
4		
5		
Total Amount Released in INR		

Signature

Place:
Date:

Name of the Bank Branch /
Financial Institution

Certification from bank for claiming interest subsidy

FORMAT OF CERTIFICATE TO BE ISSUED FROM BANK FOR CLAIMING INTEREST SUBSIDY

Name and address of the enterprise	Product	Name of the bank	Date of sanction of loan and amount	Amount of loan released with dates	Rate of interest charged by bank
1	2	3	4	5	6

Repayment schedule			Amount of principal and interest paid in a year [i.e. financial year]			Amount of interest subsidy admissible	Remarks
7			8			9	10
Principal amount	Interest	Due date	Principal	Interest	Date of payment		

This is to certify that

- The enterprise has paid the interest for the above period as per the scheduled dates
- The enterprise has not claimed interest subsidy/ nor paid any upfront subsidy in any of the Govt. of India/Govt of Karnataka scheme such as CLSS/Interest subsidy scheme to First generation entrepreneur/ interest subsidy to SC/ST entrepreneur etc.

Name and Signature of the Bank Manager