

## **GUIDELINES FOR AVAILING BACK-ENDED INTEREST SUBSIDY**

### **1. Eligible enterprises**

- a) Micro and Small Enterprises who have availed term loan under Technology upgradation / modernization schemes, National Equity Funds Scheme (Renamed as Micro / Small Enterprises Funding Scheme), Scheme for ISO Certification / R & D under NSIC -SIDCO Consortium and Credit Guarantee Fund Trust Scheme.
- b) New Enterprises which have set up their facilities , or existing Micro, Small and Medium Enterprises , which upgrade their existing plant and machinery with the state-of-the-art technology, with or without expansion, by induction of well established and improved technologies in specified sub-sectors / products as listed in the guidelines on Credit Linked Capital Subsidy Scheme (CLCSS) Scheme of Government of India, as listed in **Annexure 8**.

### **2. Quantum of Assistance**

The interest shall be **at the rate of 3%** for a maximum of 5 years only irrespective of the period of payment of loan. Further, the maximum amount of back-ended interest subsidy payable per loan shall be Rs.10 lakhs only on loans taken up to Rs.100 lakhs.

### **3. Nodal Agency**

- **TIIC**- in respect of term loan sanctioned by **TIIC**
- **SIDBI**- in respect of term loan sanctioned by **SIDBI**.
- **General Managers of DICs**- in respect of term loan sanctioned by Banks.

### **4. Mode of payment of subsidy.**

Interest subsidy shall be reimbursed once in three months on a quarterly basis to the financial institutions. The Unit should have been prompt in payment of loan and interest. If there is any default in payment of loan and interest as per schedule of payment fixed by financial institution back ended interest subsidy will not be paid during the period of default. However, if the Micro, Small and Medium Enterprises subsequently pay the installment, interest subsidy alone shall be paid. Penal interest or charges for belated payment, if any shall not be paid by the Government. The Unit should be in operation during the period for which interest subsidy is claimed.