



The Reserve Bank of India vide notification RBI/2020-21/48 DOR(PCB).BPD.CirNo.3/13.05.001/2020-21 dated October 07, 2020 has issued Interest Subvention Scheme for MSMEs – Co-operative banks.

- a) RBI vide notification RBI/2020-21/48 DOR(PCB).BPD.CirNo.3/13.05.001 /2020-21 dated October 07, 2020 has issued Interest Subvention Scheme for MSMEs – Co-operative banks.
- b) The Government of India, Ministry of Micro, Small and Medium Enterprises (MSMEs) had announced the 'Interest Subvention Scheme for MSMEs 2018' on November 2, 2018 for Scheduled Commercial Banks. Government of India has since decided to include Co-operative Banks also as Eligible Lending Institutions effective from March 3, 2020.
- c) The scheme provides for an interest relief of two per cent per annum to eligible MSMEs on their outstanding fresh/incremental term loan/working capital during the period of its validity. The coverage of the Scheme is limited to all term loans / working capital to the extent of ₹100 lakh. The loan accounts on the date of filing claim should not have been declared as NPA as per the extant guidelines in force. No interest subvention shall be admissible for any period during which the account remains NPA.
- d) The validity of the scheme has been extended till March 31, 2021. Accordingly, fresh or incremental term loan / working capital limit extended by co-operative banks with effect from March 3, 2020 will be eligible for coverage under the scheme.