

## Interest Subsidy Eligibility Certificate (ISEC) for Khadi Institutions

Ministry of Micro, Small and Medium Enterprises, Govt, of India

### **Scheme Summary/key features:**

Under the ISEC Scheme, credit at a concessional rate of interest of 4% per annum for working capital, is made available as per the requirement of the institutions. The difference between the actual lending rate and 4% is paid by the Central Government through KVIC to the lending banks.

While approving continuation of the scheme for implementation during XII plan period, Govt. of India has approved a unified version of the scheme for Khadi and Polyvastra to facilitate seamless release of interest subsidy to the institutions

### **•Eligibility:**

The Khadi institutions, having valid Khadi certificate and sanctioned khadi programme. The Institutions registered with the KVIC/State Khadi and Village Industries Boards (KVIBs) can avail of financing under the ISEC Scheme, the Scheme supports only the khadi and the polyvastra sector.

### **§ Amount or Percentage of Subsidy:**

The Khadi institutions will apply to the financing bank for working capital along with the ISEC certificate issued by KVIC. Based on the working capital sanctioned, financing bank will raise the reimbursement claim to the nodal branch for the differential interest rate over and above 4%.

[https://www.startupindia.gov.in/content/sih/en/government-schemes/isec\\_khadi.html](https://www.startupindia.gov.in/content/sih/en/government-schemes/isec_khadi.html)