



Guidelines for Funding Support to MSEs under RAMP Programme for Karnataka

**Department of Industries & Commerce
Government of Karnataka**



September 2025

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1 Introduction

1.1 RAMP Programme

Raising and Accelerating MSME Performance (RAMP) is a World Bank-supported Central Sector Scheme launched by the Government of India (GoI). RAMP is a strategic initiative aimed at enhancing the performance of Micro, Small, and Medium Enterprises (MSMEs) in India. The objective of the programme is to strengthen MSMEs by enhancing their competitiveness, improving access to market opportunities and access to credit, fostering innovation, and promoting the adoption of new technologies. The RAMP Programme also seeks to address the challenges faced by MSMEs and support their integration into global supply chains.

1.2 Funding Support to MSEs

This Guidelines outlines the operational framework for the Interest Reimbursement Support provided under the RAMP program implemented by Government of Karnataka. The objective of this scheme is to extend financial support to manufacturing units falling under Micro and Small Enterprises (MSEs) categories in Karnataka by reimbursing interest paid on term loans for the first year.

2 Eligibility Criteria

2.1 Type of Units considered for Interest Reimbursement

- i. Individuals
- ii. Sole Proprietorships
- iii. Partnership Firms
- iv. Private Limited Companies
- v. Limited Liability Partnerships (LLPs)
- vi. Public Limited Companies

2.2 Eligibility Conditions for Interest Reimbursement

The Unit meeting with the following conditions are eligible for Interest Reimbursement.

- i. Units must be manufacturing enterprises with products listed under Karnataka's ODOP or falling within any of the categories mentioned below.
 - a) Agri and Food Processing
 - b) Textiles and Apparels
 - c) Engineering and Metal Products
 - d) Electrical, Electronics & Semiconductors
 - e) Capital Goods and Machine Tools
 - f) Auto & Auto Components
 - g) General Engineering
 - h) Consumer Products
 - i) Metal-Based Industries
 - j) Paper and Wood Products
 - k) Rubber and Plastic Sector

- ii. The Unit should be a Manufacturing enterprise established during the scheme period, which is from 1st April 2025 to 31st March 2027.
- iii. The Unit must possess a valid Udyam Registration Certificate (URC).
- iv. The Term Loan should be Shishu/Kishore/Tarun Category loan under the Pradhan Mantri Mudra Yojana (PMMY).
- v. The Term Loan should have been sanctioned, fully disbursed, and the commercial production should have been commenced during the scheme period.
- vi. Special emphasis may be given to women MSEs, who may receive 50% of the total sanctioned amount under this scheme.
- vii. The term loan of MSEs should be Standard or SMA-0 at the time of claim of the interest reimbursement.

2.3 Interest Reimbursement

- i. For the entire scheme period, eligible unit shall receive 6% interest reimbursement on loans during the first year of operation subject to a maximum reimbursement cap of
 - a) INR ₹3,000/- per unit for Shishu Category Loan
 - b) INR ₹30,000/- per unit for Kishore Category Loan
 - c) INR ₹60,000/- per unit for Tarun Category Loan
- ii. The Interest Reimbursement shall be credited directly to the loan account of the eligible unit.
- iii. The shortfall of the maximum reimbursement cap shall be provided in the subsequent financial year, provided it falls within the scheme period, and it is for the first year of operation of the unit.
- iv. This is a one-time support applicable only for the first year of operation.
- v. The MSEs that have availed interest reimbursement or subsidy from any other schemes of Government of Karnataka / Government of India are not eligible.

3 Implementation Partners and Implementing Agency

- i. The Implementation Partners are Scheduled Commercial Banks (SCBs) and Regional Rural Banks (RRBs).

4 Target Allocation

- i. The Interest Reimbursement Scheme has a total budget of INR 20 Crore for the entire scheme period of two financial years (FY 2025-26 and FY 2026-2027).
- ii. The Interest Reimbursement scheme targets to extend support to a minimum of 6,000 manufacturing units under PMMY Sishu/Kishore/Tarun category subject to a maximum disbursement of INR 20 Crore.
- iii. The funding support will be on First Come First Basis (FCFB) to SCBs and RRBs.

5 Administration and Monitoring

- i. Scheduled Commercial Banks (SCBs) and Regional Rural Banks (RRBs) shall identify eligible beneficiaries and submit claims to the Karnataka Council for Technological Upgradation (KCTU) in accordance with Annexure-A and Annexure -B. The corresponding claims for each month of financial year 2025–26 and 2026-27 shall be submitted in the subsequent month.
- ii. KCTU shall place the required documents to the Evaluation Committee (EC) constituting of Director MSME (Chairperson), MD KCTU, MD Karnataka State Financial Corporation (KSFC), SLBC convenor, and Additional Director (MSME) for approval of the claim submitted by Respective Banks (SCBs & RRBs). The claims shall be submitted for each month in accordance with the procedures outlined in Annexure-A and Annexure-B of the Guideline. The EC meeting shall be convened once in a month.
- iii. KCTU shall release the Interest Reimbursement claims directly to the eligible beneficiaries' loan account through Direct Benefit Transfer (DBT) as per approval received from the Committee.
- iv. KCTU shall furnish details of the DBT transactions to the respective SCBs and RRBs, for their beneficiaries, as per Annexure C. The banks shall record these details in their systems and update the beneficiaries' loan accounts accordingly.
- v. Refer to Flowchart 1 below for a step-by-step process of the interest reimbursement, including documentation requirements before and after sanction.

6 Required Documentation

The respective banks must follow the following documentation process to extend the funding support to MSEs:

- i. For the sanction of Interest Reimbursement, banks must collect the following documents (MSE loan account-wise), and keep it in records for evaluation at any time by KCTU/Directorate of MSME:

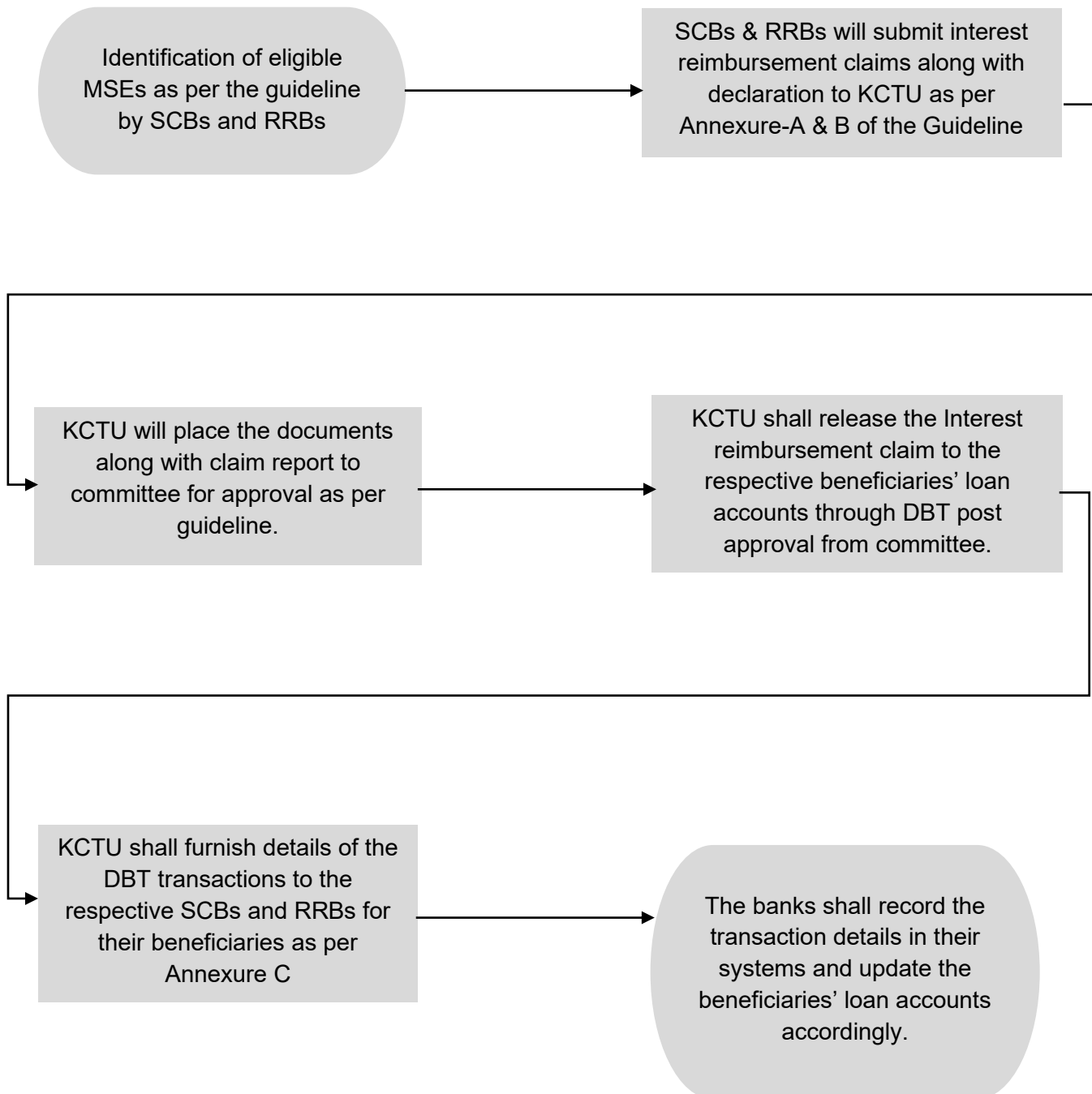
SI No	Details / Documents to be Submitted
1.	Loan Sanction Letter
2.	Loan Account Statement for the applicable financial year
3.	Udyam Registration Certificate (URC)/Udyam Assist Certificate (UAC)
4.	Aadhar details of the beneficiary

- ii. Respective banks shall submit the Claim report to KCTU vide the following documents:

SI No	Details / Documents to be Submitted
1.	Banks must submit a declaration on their official letterhead, duly sealed and signed by an authorized signatory.
2.	The declaration should confirm proper submission of the claim report in accordance with the prescribed guidelines (As per Annexure-A)

3. Bank shall submit details of eligible MSEs under PMMY loan scheme prescribed as per Annexure-B. (Refer excel sheet)

Flowchart 1



ANNEXURE A- Claim Format for Interest Reimbursement under RAMP Program
(For Banks to submit to KCTU)

Bank Name	
Contact Person	
Designation	
Contact Number	
Total Number of Claims Submitted (category-wise)	Sishu: Kishore: Tarun:
Total Amount of Claims Submitted (category-wise)	Sishu: Kishore: Tarun:

Declaration by Bank

We hereby certify that:

- All units listed in the attached Annexure are eligible for Interest reimbursement support under the guidelines of the RAMP Interest Reimbursement Scheme. All loans are under PMMY Sishu/Kishor/Tarun category and are in Standard/SMA-0 status.
- Interest reimbursement claimed is within the maximum permissible limit per unit.
- The interest reimbursement will be credited directly to the loan account of the respective units.
- Government funds is used strictly in accordance with the prescribed guidelines and not diverted for any other purpose.
- None of the units have received interest reimbursement or subsidy under any other schemes of the Government of Karnataka or the Government of India

Authorized Signatory (with seal)

Name:

Designation:

Date:

ANNEXURE B - Details of Eligible MSEs Submitted by Banks to KCTU

Name of the Bank: _____

Period of the Interest Claim Submission: 2025-26 ☐ 2026-27 ☐

#	Name of the Entrepreneur	Aadhar Number	Name of the Entity	Type of Entity	Udyam Registration No./Udyam Assist No.	Specify the Manufacturing Sector	Date of Establishment	Mention Loan Category (Sishu/Kishore/Tarun)	Loan Account Number	Loan Amount Disbursed	Loan Sanction Date	Loan Disbursement Date	Commercial Production Start Date	Loan Account Status (Standard/SMA-0)	Interest Paid (1st Year)	Eligible Interest Reimbursement (6% of the Interest paid)	Claim Amount
1																	
2																	
3																	
4																	
5																	
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ANNEXURE C – Interest Reimbursement Report Submitted by KCTU to Banks

Name of the Bank: _____

Period of the Interest Reimbursed: 2025-26 ☐ 2026-27 ☐

#	Name of the Entrepreneur	Aadhar Number	Name of the Entity	Udyam Registration No./ Udyam Assist No.	Loan Account Number	Loan Amount Disbursed	Commercial Production Start Date	Loan Account Status (Standard/ SMA-0)	Interest Paid (1st Year)	Eligible Interest Reimbursement (6% of the Interest paid)	Claim Amount	Amount Reimbursed
1												
2												
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