



**GOVERNMENT OF KERALA**

**Abstract**

Industries Department - COVID-19 – MSME- VYAVASAYA BHADRATHA – Scheme for Interest Subvention on Term Loan and Working Capital Loan- Details of the Scheme, guidelines and Implementation Procedures- Approved -Orders issued

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**INDUSTRIES (B) DEPARTMENT**

**G.O.(Rt)No.362/2020/ID** Dated,Thiruvananthapuram, 02/06/2020

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Read G.O. ( Ms) No: 56/2020/ID dated 20.05.2020

**ORDER**

Vide Government Order cited, a Special Package of Relief Schemes and Financial Assistance for Micro Small Medium Enterprises (MSMEs) under the title “VYAVASAYA BHADRATHA” was declared to support and sustain the State MSMEs. Among them, the "Scheme for Interest Subvention on Term Loan and Working Capital Loan-" (the Units engaged on manufacturing activities / job works which are badly affected by the lock down due to Covid-19 pandemic) is included in the package to provide Interest Subvention for six months for new / Additional Term Loan and / or Working Capital Loan availed from 1<sup>st</sup> April 2020 to 31<sup>st</sup> December 2020.

In the circumstances, Government have examined the details of the Scheme, guidelines and its Implementation procedures proposed by the Director of Industries & Commerce and are pleased to approve the same, as appended to this order.

(By order of the Governor)  
**K.RADHAKRISHNAN**  
**ADDITIONAL SECRETARY**

To:

The Director of Industries & Commerce, Thiruvananthapuram.

The Principal Accountant General (Audit), Thiruvananthapuram.

The Accountant General (A&E) / Audit, Kerala,Thiruvananthapuram.

The Treasury Director, Thiruvananthapuram.

All General Managers, District Industries Centres( through DIC)  
Finance ( Planning )Department.  
Planning & Economic Affairs Department  
The Director, Information & Public Relations Department.  
(for publishing in the official website)  
Stock File / Office Copy.

Forwarded /By order

Section Officer

## **APPENDIX**

### **SCHEME FOR INTEREST SUBVENTION ON TERM LOAN AND WORKING CAPITAL LOAN**

#### **1.0 Introduction**

The Country-wide Lockdown declared to encounter the Covid - 19 pandemic has badly affected the MSME sector. The manufacturing and service sector will take several months to recover from the current situation. Units that function during the lockdown period which are engaged in the manufacturing of products in the sectors like health care, agro and food processing, pharmaceutical, Packaging materials etc. are working only with minimum staff and with utilized capacity less than 40%.

The MSMEs are facing different issues like inadequate production, loss of raw materials, loss of business, expenses for salary and wages to employees, payment of bank loan, clearing of statutory dues etc. due to the lockdown. They have by now depleted their working capital lines considerably to keep themselves afloat during the interim. This erosion is likely to paralyze and prolong a recovery. It is necessary to extend a strong and easily accessible lifeline to them. With this in view, the Govt. of Kerala is pleased to announce a financial package for assisting the MSME sector as under:

## **2.0 The Scheme**

The scheme intends to provide interest subvention for six months for new/additional term loan and/or working capital loan availed from 1<sup>st</sup> April 2020 to 31<sup>st</sup> December 2020.

## **3.0 Objectives**

The scheme provides financial support to the MSMEs engaged in manufacturing activities/job work which are badly affected by the lockdown of Covid 19.

## **4.0 Eligibility for applicants**

The eligibilities required for the applicant unit are mentioned below:

- a) MSME in the manufacturing/job work category established in the state
- b) Should have filed UAM, after commencing commercial production, with the competent authority.
- c) The unit should have been operational during the period from 01.01.2020 to 15.03.2020.

## **5.0 Entitlement of an applicant**

The total entitlement in the scheme shall be limited to an amount of Rs.60, 000 per applicant unit including assistance for term loan & working capital loan and it can be availed only once.

## **6.0 Assistance/Relief Available from Government**

### **a) Interest Subvention for Fresh or Additional Working Capital Loan**

All MSMEs in the manufacturing/job work category functioning in Kerala as on 15<sup>th</sup> March 2020, will be eligible to avail interest subvention on fresh/additional working capital loans up-to a maximum of Rs 30,000 per unit. The assistance shall be limited to 50% of the interest paid by the unit to the bank/financial institution up-to a period of six months from the date of disbursement of first installment of the loan. Units which avail Additional working capital loan or new working capital loan from 1<sup>st</sup> April 2020 to 31<sup>st</sup> December 2020 are eligible for this assistance. The assistance shall be released to the loan account of the applicant unit through the Financial Institution

concerned, on quarterly reimbursement basis.

**b. Interest Subvention for fresh or Additional Term Loan**

All MSMEs in the manufacturing/job work category functioning in Kerala as on 15<sup>th</sup> March 2020 will be eligible to avail interest subvention on fresh/additional term loans up-to a maximum of Rs 30,000 per unit. The assistance shall be limited to 50% of the interest paid by the unit to the bank/financial institution up-to a period of six months from the date of disbursement of first installment of the loan. Units which avail additional term loan from 1<sup>st</sup> April 2020 to 31<sup>st</sup> December 2020 are eligible for this assistance. The assistance shall be released to the loan account of the applicant unit through the Financial Institution concerned, on quarterly reimbursement basis.

**7.0 Procedure for Implementation**

(i) Application for the interest subvention on the term loan/working capital loan along with listed documents will be submitted to the General Manager of the concerned District Industries Centre.

(ii) Every application would be processed and examined by the General Manager of the District Industries Centre concerned or any other officer authorized by sanctioning authority. The deficiencies, if any, would be communicated to the applicant within a period of 7 days and the applicant would be given a time period of two weeks to rectify the deficiencies pointed out.

(iii) In case the deficiencies are not rectified within the prescribed period, the claim shall be rejected by the General Manager, under intimation to the applicant.

(iv) On verification of the application and supporting documents, the General Manager will sanction the eligible assistance as per the guidelines of this scheme and disburse the assistance through the financial institution concerned.

**8.0 Sanctioning Authority**

The General Manager of the District Industries Centre concerned is the competent authority for the sanction of interest subvention as per the guidelines of this scheme.

**9.0 Obligation of the applicant unit**

1. The applicant shall provide all required details and declare such information as to be true.
2. The applicant shall provide clarifications or further details if sought by the sanctioning authority or any other officer authorized by sanctioning authority.
3. The applicant shall allow inspection or verification of any details mentioned in the application, if so required, by the sanctioning authority.
4. The applicant shall produce originals of any important documents if so required by the sanctioning authority for verification.
5. The assistance shall be disbursed by the sanctioning authority through the financing institution concerned.

#### **10.0 General Provisions**

1. The assistance under the scheme shall be released to the eligible entrepreneur only through the financial institution concerned.
2. All applications for assistance under the scheme shall be submitted by the applicant and produce the originals along with details before the General Manager concerned.
3. In case similar interest subvention assistance is extended by Government of India & Government of Kerala or Local Self Government Institutions to the MSMEs, then under this scheme only incremental benefit shall be provided to the applicant unit. However these units are eligible for investment subsidy on capital investments, implemented by central/state government.

#### **11.0 Appeals**

Appeals shall be filed before the Director of Industries & Commerce within 30 days from the date of issue of orders of the General Manager, District Industries Centres concerned. No appeal after this period will be entertained. The appeal shall be disposed off as early as possible within one month from the date of receipt of appeal after giving the appellant an opportunity of being heard whenever necessary.

#### **12.0 Recoveries & Penalties**

Any assistance under the scheme to an industrial unit is liable to be refunded by the unit with interest at the rate of 14% per annum from the date of receipt of the same, on issue of a registered demand notice

to the unit by the Sanctioning Authority on any of the grounds of obtaining assistance by misrepresentation, forgery or deception. All amounts due to Government under this provision shall, in case of default, be recoverable as if they are arrears of land revenue under the provisions of the Kerala Revenue Recovery Act, 1968 or in such other manner as Government may deem fit. Sufficient opportunity to show cause in writing shall however be granted to the units before a demand is raised against it.

### **13.0 Funds**

The expenditure for the scheme shall be met from the provisions under the scheme, Revival of MSMEs with stressed assets, from the head of account 2851- 00-102-33 Plan.

The Director of Industries & Commerce shall have the full authority to prepare online portal, application forms, form of agreement and any other formats required for the proper implementation of the scheme, and to make, sub-rules, check list if any, required; without altering the guidelines.

An amount of 2% of the budget allocation under the scheme shall be earmarked and made available for disposal with the Director of Industries & Commerce for allotting to the District/State Level officers towards administrative expenses, online portal development and advertisement and publicity costs. The expenses can be met for the purpose of canvassing applicants, hiring of vehicles, associated telephone charges, printing and publishing publicity materials, light refreshments for investor meets. The Director of Industries & Commerce will determine the limits under which such expenses are to be footed.

## **BHADRATHA (COVID 19 RELIEF PACKAGE FOR MSMEs)**

### **INTEREST SUBVENTION FOR TERM LOAN AND WORKING CAPITAL LOAN**

**Application form**

1	Name of the Applicant		
2	Name and address of the enterprise		
3	Social category	(SC/ST/OBC/General)	
4	Gender	Male/Female/Transgender	
5	Contact Number		
6	Email id		
7	Constitution of the unit	Proprietary/Partnership/Pvt Limited/ Public Limited/LLP/SHG/Society	
8	Category of the Unit	Micro/Small/Medium	
9	Udyog Aadhaar No. with date		
10	Date of commencement of commercial production/Activity		
11	Items of Manufacture/ Job Work		
12	Number of Employees		
13	Name of financing bank/Institution		
14	Branch Name ,Address & IFSC		
		Term Loan	Working Capital Loan
15	Amount of loan sanctioned from the Financial Institution (Rs)		
16	Date of Sanction		
17	Date of Disbursement of the 1 <sup>st</sup> instalment of the loan		
18	Loan Account Number		
19	Rate of interest charged by the bank/financial institution		
20	Amount of interest paid by the unit for the period of 3 months		
a	1 <sup>st</sup> 3 months: from.....to .....		
b	2 <sup>nd</sup> 3 months: from .....to .....		
21	Amount of interest subvention applied for (Attach bank certificate in the prescribed proforma)		
a	1 <sup>st</sup> 3 months: from.....to .....		
b	2 <sup>nd</sup> 3 months: from .....to .....		
22	Whether similar assistance related to Covid 19 package availed earlier?	Yes/No	
	If Yes, Amount :		
	Name of Institution & Scheme		
23	Self attested copies of documents to be attached along with the application		
a	Acknowledgement of UAM		

b	Recommendation letter from the concerned financial institution in the prescribed Proforma
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I, \_\_\_\_\_ do hereby solemnly state that I am proprietor/  
partner/ director of M/s \_\_\_\_\_ located at  
\_\_\_\_\_ which is engaged in the manufacture of  
\_\_\_\_\_ and I have been authorized to file the interest subvention  
claim, for term loan/working capital loan, availed from the General Manager,  
District Industries Centre \_\_\_\_\_. I have read the provisions of the  
scheme and undertake to abide by them. I also verify that all the above facts  
are true to the best of my knowledge and belief.

Date:

Place:  
Signature of Applicant  
For and on behalf of applicant enterprise