



Department of Industries & Commerce
Government of Kerala

VYAVASAYA BHADRATHA

a Special Package of
Relief Schemes and Financial Assistance for
Micro Small & Medium Enterprises
in the aftermath of Covid



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The Covid 19 pandemic and the consequent lock down imposed by Government of India has seriously affected the functioning of the Micro Small & Medium Enterprises (MSMEs) sector. Many of the MSMEs have sustained loss of raw material and loss of market sales leading to financial woes. Being one of the largest employer in the State, it has become imperative to handhold them at this time of crisis.

Based on the series of interaction with the Industry representatives and Industry Associations, Department of Industries formulated a special package for assisting the MSMEs for them to restart their business under the title **Vyavasaya Bhadratha** as detailed below:

1. New Land Premium Payment Policy

The financial burden on new investors will be reduced by decreasing the up front lease premium to be paid and increasing the duration of the payment period in KSIDC/KINFRA parks.

New allottees shall be allotted land by collecting upfront lease premium of only 20%. The balance shall be paid in 5 years time. No interest shall be levied for this 5 year period.

2. Freezing of Land Premium for One year

The land premium to be paid from 1st April 2020 to 31st March 2021 in KSIDC and KINFRA parks will be frozen. The land lease premium shall be the rate prevalent during 2019- 2020.

3. Waiving off Standard Design Factories (SDF) rentals for 3 months

The rental charges on Standard Design Factories presently occupied by the investors in KSIDC/KINFRA parks for a period of three months from march 2020 to May 2020 will be waived off.

4. Waiving off common facility charges for 3 months

The common facility charges for investors in KSIDC and KINFRA parks payable for a period of three months from March 2020 to May 2020 will be waived off.

5. Top Up Loans in KSIDC

This intends to extend support to existing standard clients of KSIDC to meet immediate working capital and asset erection needs. Short term Loan upto Rs. 2.00 lakh or 30% of the already sanctioned Term Loan (whichever is less) at an interest rate of 8% will be allowed.

- No additional collateral security required (subject to sufficient security margin based on existing assets), based on request.
- Waiver of upfront fee (0.75% of loan) and processing fee (Rs.1 lakh) for these loans.
- Repayment period 3 years, as 30 equal monthly instalments excluding an initial moratorium of 6 months.

6. Waiver of Penal interest for existing customers of KSIDC

The penal interest (2%) which is normally charged for delayed interest payment, shall be waived for 1 year plus one month, i.e. from 01.03.2020 to 31.03.2021 for all existing customers of KSIDC.

7. Moratorium for payment of Principal & Interest – KSIDC

Moratorium for payment of Principal & Interest for all operating units of KSIDC for a period of three months.

The principal repayments falling due from March 2020 till 31st of May 2020 will be provided a moratorium of 3 months by extending the terminal repayment period by 3 months.

The interest due on 31.03.2020 can be paid in 3 monthly instalments

after a moratorium of 3 months. The interest is to be repaid during the period 01.07.2020 to 30.09.2020.

Regular interest falling due from 01.04.2020 to 30.06.2020 shall be allowed to be paid in 6 equal monthly instalments from October 2020 to March 2021, without penal interest.

8. One Time Settlement Policy for KSIDC and KINFRA

This One Time settlement Policy is for settling the loans given by KSIDC and full waiving off interest accrued on CFC and lease premium in KINFRA parks.

9. Special Loan for asset creation for MSMEs by KSIDC

To extend financial assistance to MSMEs for the expansion / diversification purpose, a corpus of Rs.10,000 lakh shall be earmarked by KSIDC through refinance from banks/financial institutions. The loan quantum shall range from Rs. 50 lakh to Rs. 500 lakh per Unit based on the existing norms of KSIDC.

10. Entrepreneur Support Scheme (ESS) to be liberalized

The existing ESS norms shall be liberalized to support entrepreneurs MSMEs facilitate enhance the investment support to women, SC/ST and Young entrepreneurs from the present 20% to 25%.

Bill Discounting Scheme (BDS) will be implemented for ESS sanctioned amounts with the support of respective banks/financial institutions.

The one year period given for submission of one line ESS application after commencement of production (which expired during the lock down period) will be extended for three more months.

Enterprises which manufacture sanitary products, personal hygiene products, medical disinfectant products, pharmaceutical

products/drugs and essential medical equipments/accessories (such as ventilators, hospital furniture, N95 mask, surgical gloves, blood bags, medical oxygen etc.) will be included in the priority sectors of ESS.

11. a) Margin Money Assistance for Additional Working Capital

To support the MSMEs in the State (amounting to around 1,30,000 in number) which are facing distress. As per SLBC quick estimate, the additional working capital requirement in the sector is approximately Rs. 2675 Crores.

To provide 50% of margin money component as grant for newly availed working capital loan after lockdown. The margin money grant is limited to 50% of the margin insisted by the banks/financial institution limited to Rs.1 lakh shall not exceed 15% of working capital requirement. There must be minimum 10% of the new/additional working capital as beneficiary contribution.

b) Interest Subvention on additional Working Capital Loan for MSMEs

To extend support to MSMEs by providing Interest subvention for the additional term loan for 6 months at 50% interest amount (5% approximately) or for total interest subvention for 3 months (10% approximately).

12. Interest subvention on additional Term Loan for MSMEs

The Scheme intends to support the MSMEs in the State which are facing distress by providing additional term loans.

To provide interest subvention for 6 months at 6% Interest or full interest subvention for 3 months on additional term loan (12% interest).

13. ESI contribution of Employers for three months

Meeting the employers ESI contribution for a period of three months will be proposed to Government of India. The ESI contribution of the employer is 3.25% of the total of basic pay and DA of the employee.

14. PF contribution of Employers for Three months

Government of India will be addressed to meet the Employer's PF contribution for employees drawing wages from Rs.18,000/- to Rs.24,000/- in all industrial units and for employee drawing Rs.15,000/- in industrial units with more than 100 workers.

15. Modification of NPA Norms

RBI will be addressse to increased the present criterion of 90 days (for declaring a loan account as NPA) to 180 days.

16. Extension of moratorium for principal and interest to 6 months

The proposals will be given to RBI to increase the moratorium period for payment of principal and interest from 3 to 6 months.

17. Payment of moratorium period of MSMEs

It is for providing interest subvention (additional interest accrued on 3 months interest) on the term loan and working capital loan of MSMEs for the moratorium period of three months.

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 Government 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 1st April 2020 to 31st 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 15th 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 1st April 2020 to 31st 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 15th 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 1st April 2020 to 31st 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

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

10.0 General Provisions

- (i) The assistance under the scheme shall be released to the eligible entrepreneur only through the financial institution concerned.
- (ii) 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.
- (iii) 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

VYAVASAYA BHADRATHA (COVID 19 RELIEF PACKAGE FOR MSMEs)
INTEREST SUBVENTION FOR TERM LOAN AND
WORKING CAPITAL LOAN
Online 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 st 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 st 3 months: from.....to		
b	2 nd 3 months: from.....to		
21	Amount of interest subvention applied for (Attach bank certificate in the prescribed proforma)		
a	1 st 3 months: from.....to		
b	2 nd 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		

I,.....do hereby solemnly state that I am proprietor/
partner/ director of M/slocated 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.

Place:

Signature of Applicant

Date:

For and on behalf of applicant enterprise

**Recommendation of the financial Institution for Assistance under
Covid 19 Package for MSMEs – Interest Subvention for
additional/new term loan / working capital loan
(to be enclosed along with the application for assistance to be attested by
Manager of Bank / Financial Institution)**

This is to certify that M/s has been
sanctioned term loan / working capital loan of Rs.....
on.....with an interest rate of% per
annum and an amount of Rswas disbursed
on.....The amount of interest for term loan / working capital loan
paid by the unit for the period of three / six months (ie from.....
to.....) is Rs.....
I recommend that the unit is eligible for interest subvention as per the
Government Order on Covid Package.

Signature of the Branch Manager
with name seal

To
The General Manager
District Industries Centre

Office seal



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.

INDUSTRIES (B) DEPARTMENT

G.O.(Rt) No. 362/2020/ID Dated,Thiruvananthapuram 02.06.2020

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 lockdown 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 1st April 2020 to 31st 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

For more details, please contact:



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Department of Industries & Commerce
Government of Kerala

B2B WEB PORTAL
www.keralaemarket.org
www.keralaemarket.com
www.keralaemarket.kerala.gov.in

KEY FEATURES OF THE B2B WEB PORTAL

- An Online interactive B2B Platform created by Department Industries & Commerce to connect the Buyers (National & International) and Sellers (Registered Kerala MSMEs & PSUs).
- The company details, profile, product catalogues etc. available in the B2B Web Portal.
- Searchable Business Directory (Sector / Product wise) is available.
- Direct Business Enquiries between Domestic & International Buyers and MSMEs & PSUs from Kerala.

SECTORS

Agriculture | Ayurveda | Apparel
Bamboo Products | Cashew |
Coir | Chemicals | Cotton
Electrical & Electronics | Food Processing
Forest Resources | Handicrafts
Handloom & Textiles | Gem & Jewellery
Leather | Medical Suppliers
Metal | Pharmaceuticals | Plastic
Public Sector Undertakings
Rubber | Spices | Silk | Sports
Tea & Coffee | Wood Based Industries

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