



GOVERNMENT OF KERALA

Abstract

Industries Department –Assistance for scaling up of MSMEs – Administrative sanction accorded - Orders Issued.

INDUSTRIES (B) DEPARTMENT

G.O.(Rt)No.704/2022/ID

Dated, Thiruvananthapuram, 15/07/2022

- Read : 1. Letter No. DIC/2021/2022-FC1 dated 09/06/2022 of the Director of Industries and Commerce.
2. Minutes of the meeting of the Departmental Working Group held on 28/06/2022.

ORDER

The objective of the scheme for “Assistance for Micro to Small, Small to Medium scaling up to MSMEs” is to provide extensive support to the units which are willing to scale up, by providing financial assistance to the existing MSME units coming under the categories of micro, small or medium category.

2). Accordingly, the Director of Industries and Commerce as per the letter read above, submitted proposal for sanction to implement the scheme. The Departmental Working Group in its meeting held on 28/06/2022, considered the proposal and approved the scheme and recorded its decision as per paper read as 2nd above.

3). In this circumstances, Government have examined the proposal in detail and are pleased to accord administrative sanction for implementing the scheme namely “Assistance for Micro to small, small to medium scaling up of MSMEs” at an amount of Rs.100 Lakhs (Rupees One Hundred Lakhs only) by meeting the expenditure from the Head of Account 2851-00-102-07(01) from the current year's budget allocation and approved the detailed guidelines for the scheme as prepared by the Director of Industries and Commerce, which are appended to this Order.

4). The Director of Industries and Commerce will draw and disburse the amount in due course.

(By Order of the Governor)

SUMAN BILLA

PRINCIPAL SECRETARY

To :

The Director of Industries and Commerce, Thiruvananthapuram

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

The District Treasury Officer, Thiruvananthapuram
✓ The Chief Executive Officer, K-Bip
The Finance Department
The Planning & Economic Affairs Department
Industries (J)Department
The Information and Public Relations (Web & New Media) Department
Stock File/Office Copy

Forwarded/By order

Anilkumar

Section Officer

ANNEXURE

ASSISTANCE FOR MICRO TO SMALL , SMALL TO MEDIUM SCALING UP OF MSME'S

Introduction

Kerala is a state where density of population is very high and so large enterprises has less scope. So it is the need of the hour to promote Micro, small and medium enterprises at grass root level in the entrepreneurial scenario of Kerala and it will help to overcome many problem being faced by entrepreneurs at present. Majority of the units are coming under micro sector. Hence for improving the growth of these units some expansion should be done. This scheme is designed to fill this gap.

About the Scheme

This scheme intends to provide support to units which are willing to scale up. This scheme aims to give financial assistance for existing MSME units which are micro or small or medium category.

Objectives

This scheme intends to

- (i) provide extensive support to existing micro, small and medium enterprises for its scaling up.
- (ii) Any manufacturing/service industry intends to scale up in terms of investment or turnover can avail this assistance.

Eligibility

- Expansion period should start from one year after the date of commencement of production.
- Any units engaged in manufacturing or service sector can apply.
- Working capital assistance will get only if the units avail working capital loan from any financial institution, Kerala financial Corporation(KFC) or Kerala State Industrial Development Corporation (KSIDC).
- For capital investment subsidy bank loan is not mandatory.

- Units expansion period starting from 01-01-2021 is eligible for applying this scheme.

Assistance Extended

1. Capital Investment Subsidy

Assistance limited to 30% of the fixed asset for expansion. This can be given to units with or without availing bank loan. The maximum subsidy eligibility is limited to Rs.100 lakhs per unit.

2. Working Capital Interest Subsidy

An interest subvention of 8% is given to units which are availing working capital loan from bank for the first 3 years. The interest payment should be prompt for all the 3 years. The interest subvention is given in reimbursement basis. Maximum limit is 30 lakhs.

All machineries which are availed subsidy from District Industries Centre (DIC) or any other department and existing working capital loan is not eligible for assistance under this scheme. If it is availed under any scheme, eligible subsidy will be given after subtracting earlier subsidy availed.

Some amount should be allocated for training for existing entrepreneurs in each districts.

Sanctioning Authority

The respective Assistant District Industries Officers, Taluk Industries Offices shall be the recommending authority for assistance under the scheme. General Manager in each district is the final sanctioning authority of the application.

Obligation of an applicant

1. The applicant shall provide all required details and declare such information as to be true.
2. The applicant shall provide clarifications of further details sought by the recommending/ sanctioning authority.

3. The applicant shall allow inspection or verification of any details mentioned in the application including plant and machinery and all other assets if so required by recommending/sanctioning authority.

4. Applicants shall produce originals of any important documents if so required by the recommending / sanctioning authority for verification including:

1. Title deed of land/land tax receipt if any/Lease agreement/rent agreement as the case may be.
2. Ownership Certificate of building if any.
3. Invoice or bill of Plant and machinery and other fixed assets.
4. Loan sanctioning letter (if working capital loan availed)
5. Bank statement (if working capital loan availed)

5. The applicant shall execute the requisite legal agreement online and if required on paper as and when the proposal is approved for implementation and furnish the signed hard copy subsequently via post or otherwise.

6. The applicant shall utilize the amount received only in the manner agreed upon.

7. The applicant shall operate the unit as stipulated in the agreement in which the quantum of support received, failing which the assistance shall be resumed by restoring the provisions of Kerala Revenue Recovery Act.

General Provisions

1. All applications for assistance under the scheme shall be submitted by the applicant and produce the originals along with details before the Recommending Authority.
2. The Officer while accepting the application form should examine whether all necessary details have been furnished. If any information is found inadequate the same should be intimated to the applicant unit both electronically and otherwise and grant 10 days time to rectify the defects.
3. Industrial units which receive the assistance will be under obligation to remain working continuously for three years from the date of receipt of grant. However, it is necessary that a unit shall be a working one as on date of release of the assistance.

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 of as far as possible within 3 months from the date of receipt of appeal after giving the appellant an opportunity of being heard whenever necessary.

Recoveries and 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 registered demand notice to the unit by the Recommending/Sanctioning Authority on ground of obtaining assistance by misrepresentation, forgery or deception or not found working continuously for 3 years from the date of receipt of grant. 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 raised against it.

Forms

The Director of Industries & Commerce shall have the full authority to prepare application forms, form of agreement and any other formats required for the proper implementation scheme and to make sub-rules, check list if any, required.

Check List

1. Copy of Voters ID/Passport/Ration Card/Driving license of the promoter/promoters (self-attested) (in case of young entrepreneurs the document furnished shall show the date of birth of the applicant)
2. Copy of Caste Certificate (in case of SC/ST entrepreneurs)
3. Udyam Registration.
4. Project Report.
5. Copy of sanction letter of the bank towards approval of loan (if applicable).
6. Copy of bank loan passbook