

By Special Messenger



GOVERNMENT OF KERALA

**Abstract**

Interest Subvention Scheme - Administrative Sanction to implement the Scheme  
- Orders issued.

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FINANCE (PUBLIC UNDERTAKINGS-A) DEPARTMENT

G.O (Rt)No. 51/14/Fin

Dated, Thiruvananthapuram 02/01/2014

Read :- Letter No.KFC/CR/3255/2013-14 dated 02/12/13 from the Chairman  
& Managing Director, Kerala Financial Corporation.

**ORDER**

“ Interest Subvention Scheme” has been announced in the Budget speech 2013-14 to provide technological and financial support to youths who are desirous of launching industrial units in the State based on innovative technologies developed by research institutions functioning under the auspices of Central and State Governments in Kerala. The scheme intends to provide support from project report to production to such prospective enterprises in the areas such as food processing, information technology, apparels , handicrafts, presentation articles, agro processing, fish processing and packaging. Against the loans availed by such eligible units, interest subsidy of 3% for loans up to Rs.1crore and 2% for loan above Rs. 1 crore will be granted. Kerala Financial Corporation will be the implementing agency of the scheme.

2. The Chairman & Managing Director ,Kerala Financial Corporation, in his letter read above has intimated that the Corporation proposes to disburse a total amount of Rs.300 crore under the scheme during the Financial Year

2013-14 (Rs.200 crore at 3% and Rs.100 crore at 2% interest subvention) and requested to provide an amount of Rs.10 crore as share capital contribution of the State Government in the Kerala Financial Corporation for implementation of the scheme. The Corporation also undertakes to use equivalent amount towards subsidising interest to eligible units under the scheme. The financial commitment of the scheme is intimated as follows :

2013-14 - Rs. 2.14 crore

2014 - 15 - Rs. 8 crore

**Total Rs. 10.14 Crore**

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Government have examined the matter in detail and are pleased to accord Administrative Sanction for implementing the Interest Subvention Scheme as above. Government are also pleased to sanction an amount of Rs.10.14 crore as above towards share capital contribution. Kerala Financial Corporation shall monitor the scheme and maintain separate accounts which shall be audited and furnished to Government.

By order of the Governor

**M.Radhakrishnan**

Additional Secretary (Finance)

To:

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

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

The Chairman & Managing Director, Kerala Financial Corporation,  
Thiruvananthapuram.

The Finance (Budget Wing -G) Department

The Nodal Officer. [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)

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Section Officer