



GOVERNMENT OF KERALA

Abstract

Finance Department- - Interest Subvention Scheme - Administrative Sanction to implement the scheme- modification - Orders issued.

FINANCE (PUBLIC UNDERTAKINGS -A) DEPARTMENT

G.O.(Rt)No. 3486/2018/Fin

Dated, Thiruvananthapuram, 17.04.2018

- Read :- 1) G.O (Rt) No.51/2014/Fin dated 02/01/2014
2) G.O (Rt) No.1847/2014/Fin dated 06/03/2014
3) G.O (Rt) No.2490/2015/Fin dated 23/03/2015
4) G.O.(Rt)No.4904/2016/Fin dated 03/06/2016
5) Letter No. KFC/ACCTS/1617/2017, dated 16.09.2017

ORDER

As per Government Order read as 1st paper above, Administrative Sanction was issued for implementing the Interest Subvention Scheme with a total outlay of Rs.10.14 crore. The Scheme intends to provide interest subsidy at prescribed rate against the loans availed by eligible industrial units, through Kerala Financial Corporation. It was also ordered to provide the amount to Kerala Financial Corporation as share Capital Contribution.

Accordingly an amount of Rs.4.64 crore was released as share capital contribution by debiting to the Head of Account "4885-01-190-98 KFC investment (P)" vide Government Orders read as 2nd & 3rd papers above, wherein it was also directed to issue equity shares to Government in respect of share capital contribution.

The allotment of shares was pending for long time as consent from SIDBI was not received. Later vide Government Order read as 4th paper above, it was ordered to treat the released amount as assistance to Kerala Financial Corporation instead of share capital contribution.

Now Kerala Financial Corporation, vide letter read as 5th paper above informed that SIDBI has given 'no objection' letter for allotment of

464000 shares to Government subject to obtaining modification of Government Order read as 1st paper above, stating that the amount released towards share capital of Kerala Financial Corporation, be utilized for extending loans towards acquisition of plant and machinery and not for interest subsidy and subsequently obtain approval of the Board of Directors. Therefore, the Chairman & Managing Director, Kerala Financial Corporation requested Government to make necessary modifications to the Government Order read as 1st paper above and to cancel the Government Order Read as 4th paper above for issuing shares to Government.

Government have examined the matter in detail and are pleased to modify the Government Order read as 1st paper above as follows:

The amount released by Government of Kerala for implementing the Interest Subvention Scheme shall be treated as Share capital of Kerala Financial Corporation and be utilized for extending loans towards acquisition of plant and machinery and not for interest subsidy and subsequently obtain approval of the Board of Kerala Financial Corporation.

The Government Order as 4th paper above stands cancelled.

By order of the Governor,

MANOJ JOSHI

Principal 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
Finance (Budget Wing-G) Department
The Nodal Officer, www.finance.kerala.gov.in
stock file/ Office Copy

Forwarded/by order


Section Officer