



GOVERNMENT OF KERALA

Abstract

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

FINANCE (PUBLIC UNDERTAKINGS-A) DEPARTMENT

G.O (Rt)No. **4904**/16/Fin

Dated, Thiruvananthapuram 03.06.2016

- Read: 1. G.O. (Rt) No. 51/14/Fin, dated 02.01.2014.
2. G.O. (Rt) No. 1847/14/Fin, dated 06.03.2014
3. G.O. (Rt) No. 2490/15/Fin, dated 23.03.2015
4. Letter No. KFC/Accts/2316/15-16, dated 09.12.2015.

ORDER

As per Government Order read as 1st paper above Administrative sanction have been 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 have been released as share capital contribution by debiting to the head of account of " 4885-01-190-98 KFC Investment (P)" vide Government Orders read as 2nd or 3rd paper above in which, it was also directed to issue equity shares to Government in respect of share capital contribution.

Now Kerala Financial Corporation, vide letter read as 4th paper above informed that SIDBI has not given consent for allotment of share as the Corporation can only act as an agent of State Government and do not have power to provide any grants to industrial unit as per section 25 (e) of SFC Act. Therefore Chairman & Managing Director, Kerala Financial Corporation has

requested Government to make necessary modification to the Government Order issued in this regard.

Government have examined the matter in detail and are pleased to order that the amount of Rs.10.14 crore sanctioned to Kerala Financial Corporation for the disbursement of subsidy to young entrepreneurs towards Interest Subvention Scheme shall be treated as "Assistance to KFC" instead of Share Capital contribution.

Necessary reclassification of expenditure in this regard will be carried out through SDG by opening a new revenue expenditure head of account. Kerala Financial Corporation shall furnish necessary proposal for effecting this reclassification.

By order of the Governor,

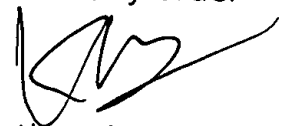
Dr. K.M. ABRAHAM

Additional Chief Secretary (Finance).

To:

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
The Accountant General (E & RSA), Kerala, Thiruvananthapuram.
The Chairman & Managing Director, Kerala Financial Corporation,
Thiruvananthapuram.
The Planning and Economic Affairs (CPMU) Department.
The District Treasury Officer, Thiruvananthapuram.
The Under Secretary, Finance (Accounts) Department
Finance (Budget Wing - G) Department
The Nodal Officer. www.finance.kerala.gov.in
The Stock file/Office copy

Forwarded/By order


Section Officer