



GOVERNMENT OF KERALA

Abstract

Industries Department – One family One Enterprise Scheme - Amended
- Orders Issued.

INDUSTRIES(B)DEPARTMENT

G.O.(Rt)No.1232/2022/ID Dated,Thiruvananthapuram, 22-11-2022

Read: 1) G.O(Rt)No.747/22/ID dated 22/07/2022.

- 2 Letter No.DIC/2023/2022-FC1 dated 31/08/2022 from the Director Industries & Commerce
- 3 Letter No.DIC/2023/2022-FC1 dated 14/11/2022 from the Director of Industries & Commerce.
- 4) Minutes of the meeting of the Departmental Working Group held on 01/11/2022.

ORDER

As per Order read above, Government approved the scheme “One Family One Enterprise” and accorded Administrative Sanction for the implementation of the scheme for an amount of 400 Lakh (Rupees Four Hundred Lakh only) by meeting the expenditure from the Head of Account 2851-00-102-07(04) from the current year's budget provision.

2) The Director of Industries and Commerce as per letter read as 2nd above, has reported that it is essential to amend the provisions of the Scheme “One Family One Enterprise” for its effective implementation and furnished a new proposal for the scheme for approval and requested to cancel the earlier order issued.

3) The Departmental Working Group in its meeting held on 01/11/2022 considered the new proposal and decided to enhance the interest subvention of the scheme from 5% to 6% and include the criteria for PMFME also in the scheme and to cancel the earlier Government Order. Accordingly, the Director of Industries and Commerce as per letter read as 3rd above, has submitted a revised proposal for One family One Enterprise Scheme accordingly.

4) Government have examined the matter in detail and are pleased to approve the revised proposal and to accord administrative sanction for the implementation of the Scheme “One Family One Enterprise” for an amount of Rs.400 Lakh (Rupees Four Hundred Lakh only) by meeting the expenditure from the Head of Account 2651-00-102-07(04) from the current years budget provision. The details of the scheme as approved, are annexed to this Order. Government Order read above is cancelled.

5) The Director General 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 Finance Department
The Planning & Economic Affairs Department
Industries (J) Department
The Information and Public Relations (Web and New Media
Department)
Stock File / Office Copy

Forwarded /By order

Section Officer

ANNEXURE

ONE FAMILY ONE ENTERPRISE SCHEME

Introduction/Background

MSMEs play a vital role in the socio-economic development of the state. Government of Kerala has declared the year 2022-23 as the Year of Enterprises. The aim of the Government is to facilitate setting up of one lakh Micro Small and Medium Enterprises in the current Financial Year. A new scheme namely “One Family, One Enterprise” is introduced to encourage entrepreneurial activity in every household and empower women entrepreneurship. According to the All India Census, 2011, there are 78.50 lakh families/households in the State. This scheme aims to set up at least one MSME unit including trade activity in each family.

The MSMEs primarily rely on bank finance for their operations. Providing assistance in the early stage of establishment of the enterprise will enhance the competency of the MSME unit. The scheme intends to provide interest subvention on Term loan and/or Working capital loan availed by MSME units from financial institutions viz. Nationalised Banks, Scheduled Banks, KSIDC, KFC, KSFE and Kerala Bank. The units engaged in manufacturing, service and trading are eligible for the assistance. 50% of the

beneficiaries under the scheme shall be women entrepreneurs.

Objective of the scheme

The scheme envisages to encourage entrepreneurial activity in every household and to promote upcoming entrepreneurs in setting up enterprises through providing interest subvention for loan amount up to Rupees 10 lakh (for fixed capital loan and/ or working capital loan) of the project cost.

Eligibility for Applicants

1. All new micro, small and medium enterprises in manufacturing, service and trading activities, which availed Term Loan and/or Working Capital Loan, shall be eligible for assistance under this scheme.

2. The MSME units, which commenced operation/production on or after 1/4/2022, are eligible for assistance under this scheme.

3. The unit shall have a valid Udyam registration.

4. As on the date of submission of the claim, the loan accounts should not have been declared as NPA as per extant guidelines in force.

5. The unit shall be working as on date of application.

6. The unit shall not have availed any grant assistance under any scheme of Central Government/State Government/ Local Self Government Department.

7. Even though the scheme is for new units as item 1 above, an exemption is there for units supported by Prime Minister Formalisation of Micro Food Processing Enterprises (PMFME) scheme of the Ministry of Food Processing Industries, Govt. of India. In order to dovetail this scheme with the PMFME scheme - existing enterprises supported under PMFME scheme shall also be eligible for assistance under One Family One Enterprise (OFOE) scheme provided the unit commenced production after expansion/modernisation/diversification on or after 1/4/2022.

8. Even though the scheme is not eligible for units who have availed any grant assistance under any scheme of Central Government/State Government/ Local Self Government Department as item 6 above, an exemption is there for units supported by Prime Minister Formalisation of Micro Food Processing Enterprises (PMFME) scheme of the Ministry of Food Processing Industries, Govt. of India. Units which have availed/are availing assistance under PMFME scheme shall be eligible for this assistance for the working capital portion alone up to loan amount of Rs.10 Lakh.

Entitlement of a successful applicant

The assistance provided under this scheme shall be in the form of an interest subvention on reimbursement basis. All new MSMEs engaged in manufacturing, service and trading activities shall be eligible for interest subvention on the interest charged by the financial institution on approved project for loan amount up to Rs.10 lakh (for Term loan and/or working capital loan) for a period of five years from the date of disbursement of the 1st installment of the loan by the financial institution. In case where the loan amount exceeds Rs.10 Lakh, the interest subvention shall be considered for loan up to Rs.10 Lakh only. The rate of subvention will be up to a maximum of 6%. The subvention will be the difference in the rate of interest charged by the financial institution and 4 %.

Sanctioning Authority/Recommending Authority

The Assistant District Industries Officer, Taluk Industries Office concerned shall be the recommending authority under this scheme. The Assistant District Industries Officer shall forward the application to the sanctioning authority with recommendation.

The General Manager, District Industries Centre concerned shall be the sanctioning authority. All completed applications have to be disposed within a period of 15 days from the date of receipt of the completed defect free application.

The decision of the sanctioning authority shall be intimated to party

directly or electronically within 15 days. The assistance shall be disbursed by the sanctioning authority through the financing institution, which has financed the unit, on executing an agreement by the applicant with the sanctioning authority in the prescribed format

Mode of submitting application

The applicant may avail the assistance for a period of 6 months or for 1 year. The applicant may apply for the assistance after completion of 6 months or 1 year as the case may be within a period of 3 months from the date of completion of the period for which the interest subvention is claimed (6 month or 1 year).

The General Manager, District Industries Centre shall have the power to condone delays in individual cases based on merit. In no case, the delay condonation shall exceed a period of 1 Year.

The Officer while accepting the application should examine whether all necessary details have been furnished. If any information is found inadequate the same should be intimated to the applicant unit directly or electronically and grant 10 days time to rectify the defects.

Mode of payment

The eligible interest subvention approved will be reimbursed to the unit through the bank account on half yearly or yearly basis, as required in the claim submitted by the applicant.

Obligation of an applicant

1. The applicant shall provide all required details and declare such information as to be true, if so required by the recommending authority/ sanctioning authority to assess the eligibility of the application.
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 loan remittance particulars and bank certificate towards the remittance of loan.

5. The applicant shall execute the requisite legal agreement as and when the assistance is sanctioned.

6. The beneficiary shall produce the relevant documents submitted along with the application before the Recommending Authority.

7. The applicant should 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, 1968 or in such other manner as Government may deem fit.

Appeals

Appeals, if any, against the decision of the Sanctioning Authority 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 Centre 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. 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 of the scheme, and to issue, clarifications, sub-rules, check list, if any, required.