



## GOVERNMENT OF KERALA

### Abstract

Industries Department - Annual Plan Proposal for the fiscal 2022-23 - Revival of Small and Medium Scale Cashew Factory Units - 'Scheme for Assistance for Capital Grants and Interest Subvention to Small and Medium Cashew Factory Units for Rebuilding Lost Livelihood' - Administrative Sanction is accorded for the project at an estimated amount of ₹ 700 Lakh and sanction is accorded for the release of ₹ 700 Lakh (Rupees Seven Hundred Lakh Only) - Orders issued.

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### INDUSTRIES (K) DEPARTMENT

G.O.(Rt)No.143/2023/ID Dated,Thiruvananthapuram, 17-02-2023

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Read 1 Proposal received from Director, Directorate of Industries & Commerce (DIC), Thiruvananthapuram.

2 Minutes of the Departmental Working Group meeting for Plan Schemes for 2022-23 held on 25/01/2023.

### ORDER

During the financial year 2022-23, an amount of ₹ 700 lakh was allocated in the State Budget for the Plan Proposal 'Scheme for Assistance for Capital Grants and Interest Subvention to Small and Medium Cashew Factory Units for Rebuilding Lost Livelihood' under the H/A '2852-08-600-79'. The Scheme is intended for providing assistance in the form of Capital Grants to Small and Medium Cashew Factory Units for partial modernization of Units by putting additional machinery, renovation of building etc, thereby improving the productivity and turnover substantially. The Scheme is also envisaged for lending support in the form of Interest Subvention for loans taken from Banks/Financial Institutions for their working capital needs. The Scheme will make the cashew factories sustainable and more competitive and they will be in a position to provide employment to the workers who lost their livelihood due to closure.

2) Further, as per the paper read 1st above, the Director, Directorate of Industries & Commerce, Tvpm submitted a proposal to Government and requested Government to accord Sanction for releasing ₹ 700 Lakh

(Rupees Seven Hundred Lakh Only) for implementing the said Project 'Scheme for Assistance for Capital Grants and Interest Subvention to Small and Medium Cashew Factory Units for Rebuilding Lost Livelihood'.

3) The Departmental Working Group Meeting, read as 2nd paper above, approved the Plan Proposal for issuance of Administrative Sanction for the project at an estimated cost of ₹ 700 Lakh (Rupees Seven Hundred Lakh Only) and sanction is also accorded for the release of ₹ 700 Lakh (Rupees Seven Hundred Lakh Only) from the Plan fund limiting the expenditure to this year's budget provision.

4) Government have examined the matter in detail and are pleased to accord sanction for the project, 'Scheme for Assistance for Capital Grants and Interest Subvention to Small and Medium Cashew Factory Units for Rebuilding Lost Livelihood' with the following Components along with stipulations/conditions therein as proposed by DIC for implementation by utilizing the budget provision of ₹ 700 Lakh (Rupees Seven Hundred Lakh Only) set apart during the financial year 2022-23, subject to the terms and conditions placed thereunder.

### **I. Capital Grants for the Revival of Small and Medium Cashew Factory Units**

This scheme is for making Private Cashew Factories more competitive and profitable by introducing Partial Modernization in Shelling and Peeling operations resulting in added turnover and productivity.

#### **CONDITIONS**

- i) The respective General Manager, District Industries Centre shall be the recommending authority for assistance under the scheme. The recommending authority shall accept the applications, process and place them before the Sanctioning Authority.
- ii) The District Level Committee comprising of the District Collector (Chairman); Lead District Manager; Representative of Finance Department in Government; District Manager, KFC; and General Manager, District Industries Centre (Member Secretary) will be the Sanctioning Authority.
- iii) The State Level Committee comprising the Director of Industries and Commerce (Chairman); Managing Director, KSIDC; Representative of Finance Department in Government; Managing Director, KFC; and Additional Director of Industries & Commerce (T)

(Member Secretary) will be the Appellate Authority. Any appeal against the decision of the District Level Committee in any application for assistance under the scheme shall be submitted to the State Level Committee for the Scheme within 30 days on receipt of the decision of the District Level Committee.

iv) All small and medium Cashew Factories, functioning/operational as on March 2020 and in existence as on date are eligible for assistance under the scheme subject to conditions.

v) Entitlement in the scheme shall be limited to an amount of ₹ 40 lakh per applicant unit and it can be availed only once. Subject to this maximum limit, the assistance shall be limited to 40% for general categories, and additional 10% for Special Categories specified under, of the composite investment for technology upgradation, modernisations of plant and machinery and connected works.

vi) Special Category shall be SC/ST/Women/Youth (18-45)/Differently Abled.

vii) Industrial Units which receive the assistance will be under obligation to remain working continuously for 5 years from the date of commencement of commercial production after revival.

viii) 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 grounds of obtaining assistance by misrepresentation, forgery or deception or not found working continuously for 5 years from the date of revival.

ix) The Director of Industries & Commerce shall be competent to declare a component as essential to the unit on a case by case basis if differently titled.

x) The Director of Industries and Commerce shall have the full authority to modify the application, agreement, agenda note, sanction letter and any other formats required for the proposed implementation of the scheme and issue clarification, sub-rules, check list, if any, required without affecting the budget note of the scheme.

## **II. Scheme for Interest Subvention**

In order to provide Interest Subvention to cashew factories on the loans taken from banks for their working capital needs. It makes them more productive and thereby providing employment to the workers who lost their livelihood.

## CONDITIONS

- i) The recommending authority shall be the respective Assistant District Industries Officer of Taluk Industries Office. The Recommending Authority shall accept the applications, process and place them before the sanctioning authority after conducting necessary scrutiny and ascertaining the eligibility.
- ii) General Manager, District Industries Centre of each District is empowered to sanction assistance under the scheme.
- iii) The Director of Industries and Commerce is competent to dispose the appeals, if any, received in the prescribed format against the orders of General Manager, District industries Centre. The Director of Industries and Commerce shall be the appellate authority. The appeals shall be filed within 30 days from the date of issue of orders of General Manager, DIC.
- iv) All Small and Medium Cashew Factories, engaged in production during the year, and which have availed working capital/cash credit during the last financial year and restarted / functioning during the current financial year are eligible for financial assistance under this scheme.
- v) Entitlement in the scheme shall be limited to an amount of ₹ 10 Lakh per unit per year taking into consideration the average working capital requirement as ₹ 1 Crore/unit/year.
- vi) The assistance shall be in the form of Interest Subvention; against the interest accrued and remitted 50 % of prevailing/levied interest rate on working capital loans (fresh as well as enhanced working capital loans) taken from various public sector banks, scheduled banks, financial institutions/rural banks/co-operative banks. The claims for Interest Subvention can be on reimbursement basis made quarterly/ half yearly/ annual basis, applied in the prescribed format(s), supported by certificates and recommendation from the financial institution concerned.
- vii) The assistance can be extended to a maximum continuous period of 3 years subject to conditions.
- viii) The assistance will be given only for those units working within the State and continue to function till date.
- ix) Assistance is commensurated with employment generated against working capital loans, tracing ESI/EPF benefits portal to ensure that assistance is extended to the factories which are working in Kerala itself.
- x) The cashew units which receive the interest subvention assistance

shall be under the obligation to function continuously for a period of 5 years from the date of resuming their functioning after revival.

xi) If the applicant unit is found to have obtained assistance by misrepresentation, forgery or deception or found dysfunctional continuously for 5 years from the date of revival or restarting, the assistance availed by the industrial unit shall be liable to be refunded by the unit with interest at the rate of 14% per annum on issuance of registered demand notices to the unit by the Sanctioning Authority.

xii) Cashew units can avail assistance either in respect of Capital Grant or Interest Subvention or both.

xiii) The Director of industries & Commerce shall have the full authority to prepare Application Forms, agreement and any other formats required for the proper implementation of the scheme, to make sub-rules, if any, required, without altering the guidelines.

xiv) The General Managers, District Industries Centres shall furnish expenditure particulars to the Director of Industries and Commerce every quarter.

(By order of the Governor)  
SUMAN BILLA  
PRINCIPAL SECRETARY

To:

The Director/Additional Director, Industries & Commerce, Thiruvananthapuram.

The Chairman/Secretary, RIAB, Thiruvananthapuram.

The Special Officer (Cashew) & Chairman, Kerala State Agency for Expansion of Cashew Cultivation, Kollam.

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

The Director of Treasury , Thiruvananthapuram.

District Treasury Officer, Thiruvananthapuram.

Sub-Treasury Officer, Vikas Bhavan, Thiruvananthapuram.

Finance (PU-D) Department

Finance (GMC) Department.

Planning and Economic Affairs Department.

Director, I&PRD (for uploading the G.O in Govt website).

SF/OC.

Copy to:-

PS to Hon'ble Minister, Industries

PA to Principal Secretary (Cashew)

Forwarded /By order

Section Officer