



## **GOVERNMENT OF KERALA**

### **Industries(B)Department**

No.B2/103/2020/IND

Dated,Thiruvananthapuram: 03.06.2020

### **CIRCULAR**

Sub: Industries – Instructions to General Managers of District Industries Centres to ensure the timely implementation of Covid-19 packages of GOI and Special Package of NABARD to MSMEs – Reg.

As you are aware, the Government of India has declared relief packages for the survival of MSME sector in the country which are badly affected by the lockdown due to the spread of Covid 19 pandemic. NABARD has also declared short term refinance to MSMEs through Primary Agricultural Co-operatives societies (PACS). All General Managers of District Industries Centres are directed to give utmost priority to inform MSMEs in their jurisdiction about these schemes and to impart necessary handholding support to MSMEs in getting the credit facilities from financial institutions. The details of the schemes and district level actions to be taken are mentioned below:

#### **1. Emergency Credit Line Guarantee Scheme (ECLGS) for MSMEs**

**Emergency Credit Line Guarantee Scheme to Businesses/MSMEs from Banks and NBFCs up to 20% of entire outstanding credit as on 29.2.2020. Rs 3 Lakh Crores collateral-free automatic loans for businesses, including MSMEs is earmarked for the scheme.**

#### **Features of the Scheme**

- Borrowers with up to Rs 25 crore outstanding and Rs 100 Crore turnover are eligible
- Loans to have 4-year tenor with a moratorium of 12 months on principal repayment
- Interest to be capped

- 100 per cent credit guarantee cover to banks and NBFCs on principal and interest
- Scheme can be availed till 31st October 2020
- No guarantee fee, no fresh collateral security.
- 45 Lakhs Units can resume business activity and safeguard jobs, across the country

#### **Actions to be taken from District Industries Centres**

The scheme must be given wide publicity through District Industries Centres and action need to be initiated to give wide publicity of the scheme through KSSIA, FICCI, Chambers of Commerce, CII and other MSME associations. The Industries Extension Officers are directed to contact financial institutions in their jurisdiction and to do necessary follow-up in sanctioning the loan requests of all MSMEs.

## **2. Subordinate Debt for Stressed MSMEs**

**Rs 20,000 Crores subordinate debt for stressed MSMEs.**

#### **Features of the Scheme**

- Stressed MSMEs need equity support.
- Two lakh MSMEs are likely to benefit
- Functioning MSMEs which are NPA or are stressed will be eligible
- Govt will provide a support of Rs 4,000 crore to CGTMSE
- CGTMSE will provide partial credit guarantee support to banks
- Promoters of MSMEs will be given debt by banks, which will then be infused by promoter as equity in the unit.

#### **Actions to be taken from District Industries Centres**

This scheme can be utilized for the benefit of functioning Stressed MSMEs and Cashew Units in our state. All General Managers are directed to identify functioning stressed MSME units and also the functioning cashew units in their districts. These two categories of enterprises can be supported with this scheme. On getting the detailed guidelines of the scheme district wise strategies have to be adopted to help maximum enterprises for getting the benefits of this scheme.

## **3. Special Liquidity Facility by NABARD to MSMEs in Rural Areas through Primary Agricultural Co-operative Societies (PACS)**

In the meeting of the honourable Chief Minister, held on 16.05.2020, it was decided that the fund from NABARD can be utilized to support MSMEs by refinance through PACS. The amount allocated to MSME sector by NABARD is Rs 225 crores. The scheme need to be implemented through District Industries Centres and action must be taken through Industries Extension Officers to submit maximum number of MSME loan applications to PACS.

The Director of Industries and Commerce shall circulate a copy of the same to all Taluk Industrial Offices to expedite action.

**Muhammed Hanish**

**Secretary**

Approved for Issue

  
Section Officer.

Copy to:

All District Collectors

All General Managers, District Industries Centres

All Taluk Industrial Offices (through the Director of Industries and Commerce)

SLBC Convenor, Canara Bank , Statue, Thiruvananthapuram

Director, MSMEDI, Thrissur

Chief General Manager, NABARD

Chief Executive Officer, Kerala Bank

Director, Confederation of Indian Industry , Kerala.

Chairman, FICCI

President, Kerala Chamber of Commerce

President, KSSIA