



## GOVERNMENT OF KERALA

### Abstract

Finance Department – Kerala Financial Corporation – Implementation of Loan Scheme for Ex-servicemen Entrepreneurs - Sanctioned - Orders Issued.

### **FINANCE (PUBLIC UNDERTAKING -A) DEPARTMENT**

G.O.(Ms)No. 32/2024/Fin

Dated, Thiruvananthapuram, 15.03.2024

- Read :-
1. Letter.No.KFC/BD/572/2023-24 dated: 29.07.2023 from the Chairman & Managing Director, Kerala Financial Corporation.
  2. Letter No. DSW/609/2022-D3 dated 04.05.2023 of Director, Sainik Welfare addressed to Managing Director of Kerala Financial Corporation.
  3. G.O.(Ms) No.78/2020/Fin dated: 27.07.2020.

### ORDER

In the Kerala Budget Speech 2023-24, it has been announced a special loan scheme to assist Ex-servicemen entrepreneurs of the State to set up new MSME units under the Chief Minister's Entrepreneurship Development Programme (CMEDP). Accordingly, in the letter read 1<sup>st</sup> above, the Chairman & Managing Director of Kerala Financial Corporation has submitted a detailed proposal for the new Loan Scheme for Ex-servicemen Entrepreneurs in the State to start new MSME (Micro Small and Medium Enterprise) with a target to set up 50 MSME units every year at a maximum financial assistance of Rs. 200 lakh. The 81<sup>st</sup> meeting of the State Management Committee held on 18.01.2023 chaired by Chief Secretary to Government has recommended the Kerala Financial Corporation to consider providing loans to Ex-servicemen entrepreneurs at a concessional rate. The net effective rate of interest proposed is 6% per annum.

2) Government have examined the matter in detail and are pleased to accord sanction for implementing the new Loan Scheme for Ex-servicemen Entrepreneurs in the State to start new MSME (Micro Small and Medium Enterprises). The salient features of the scheme are as follows:

- i. The Scheme aims to assist Ex-servicemen of the State to start new MSME units, with a target to set up 50 MSME units every year.
- ii. The maximum financial assistance per unit (for interest subvention) shall be Rs. 200 lakh.

- iii. The net effective rate of interest shall be 6% per annum (11% less 3% Government subvention less 2% Kerala Financial Corporation rebate)
- iv. The validity of the scheme shall be for five years.
- v. The expenditure statement certified by an independent auditor is mandatory for claiming interest subsidy by KFC.

(By order of the Governor)

**AJAYAKUMAR K. S**  
**ADDITIONAL SECRETARY**

To:

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.  
The Accountant General (Audit II), Kerala, Thiruvananthapuram.  
The Chairman & Managing Director, Kerala Financial Corporation,  
Vellayambalam, Thiruvananthapuram  
The Web and New Media, PRD (webprd@kerala.gov.in)  
The Nodal Officer [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)  
The Stock file/Office copy (PU-A1/51/2020-FIN)

Forwarded/by order

  
Section Officer