



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act, 1951



ಸಂಖ್ಯೆ : ಕ.ರಾ.ಹ.ಸಂ./ಪ್ರ.ಕ./

Ref. No. KSFC/H.O./MD/ED-I/2015-16/27/C-331

ದಿನಾಂಕ :

Date.....30.05.2015

01-06-2015

CIRCULAR No. 913

Sub : Interest Subsidy Scheme for the first generation entrepreneurs establishing new Micro & Small Industries
-:o:0:o:-

The Government of Karnataka vide its Order No.CI 89 CSC 2014, Bengaluru, dated 10.03.2015 has approved the implementation of the Interest Subsidy Scheme for the first generation entrepreneurs. In this regard a note was placed before the Board in its meeting held on 15.05.2015 and the Board approved the implementation of the said scheme as detailed in GO dated 10.03.2015. A copy of the GO along with the operating guidelines attached thereto are enclosed for reference. The highlights of the scheme are as follows:

1. OBJECTIVE:

The objective of scheme is to provide access to large number of first generation entrepreneurs to cheaper finance for establishment of micro & small enterprises.

2. COVERAGE:

- The scheme covers whole state of Karnataka.
- Micro & Small Enterprises as defined under MSMED Act with total project cost up to ₹100.00 lakh are eligible.
- Only term loan sanctioned by KSFC to Micro & Small Enterprise are eligible for interest subsidy for the project cost up to ₹100.00 lakhs. The detailed terms & conditions as specified in the lending schemes of the KSFC including particulars like promoters contribution, Debt Equity Ratio, Security Margin, rate of interest, repayment period etc., are applicable.

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ಪ್ರಧಾನ ಕಛೇರಿ : ಕೆ.ಎಸ್.ಎಫ್.ಸಿ. ಭವನ, ನಂ. 1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನ್‌ಮೆಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು-560 052

ದೂರವಾಣಿ ಸಂಖ್ಯೆ ಸಾಮಾನ್ಯ : 22263322 ಫ್ಯಾಕ್ಸ್ : 080-22250126 ಇ-ಮೇಲ್ : info@ksfc.in ವೆಬ್ : www.ksfc.in

HEAD OFFICE : KSFC Bhavan, No. 1/1, Thimmaiah Road, Near Cantonment Railway Station, Bangalore-560 052.

Telephone : Gen : 22263322, Fax : 080-22250126, e-mail : info@ksfc.in Website : www.ksfc.in



-: 2 :-

- (d) Units covered under interest subsidy under any of existing scheme such as Technology up gradation / interest subsidy scheme under industrial policy / Interest subsidy scheme to SC/ST entrepreneur or any other Govt. of India / Govt. of Karnataka Scheme are not eligible for benefits under this scheme.

3. DEFINITION OF FIRST GENERATION ENTREPRENEUR:

First generation entrepreneur is defined as a person / individual / partnership firm / company registered under companies Act who has floated the venture enterprise for establishing micro & small enterprise for the first time. In case of partnerships /company, all partners / directors should be the first generation entrepreneurs i.e., the person / individual / partnership firm company shall not have any share or holding in any of the existing enterprise.

4. ACTIVITIES:

(a) Eligible activities:-

All manufacturing / Service activities as defined in the MSMED Act with total project cost not exceeding ₹100.00 lakhs excluding ineligible activities listed at (b) below are eligible for availing interest subsidy. (The Entrepreneurs Memorandum Part-I issued by the concerned DIC be collected to ensure eligibility, while accepting the loan proposal under the scheme).

(b) Ineligible activities:-

The following activities are ineligible:-

- (i) All infrastructure projects, kalyana mantaps, hotels, lodges, restaurants, guest houses, housing, commercial building etc.
- (ii) Business / trading activities.
- (iii) Malls / Cinema houses etc.
- (iv) Transportation / conveyance / vehicles etc.
- (v) List of industrial activities / enterprises as mentioned in Annexure – 2 of New Industrial Policy 2014-19 (List enclosed).

5. OPERATION & SCALE OF FINANCE:

The scheme shall be operated by Karnataka State Financial Corporation (KSFC). Only term loan sanctioned by KSFC to Micro & Small Enterprise upto project cost of ₹100.00 lakhs is eligible for interest subsidy.



-: 3 :-

6. INTEREST AND PERIOD OF ELIGIBILITY:

The interest will be subsidized to KSFC over and above the 8% subject to maximum of 6%. The interest subsidies shall be eligible for the complete term loan repayment period as fixed by KSFC and shall be effective from the first instalment of loan sanctioned by KSFC after 01.04.2014.

A budgetary support of ₹4.50 crore has been envisaged under the scheme for a target lending of ₹75.00 crore.

All the Branch Managers are hereby advised to give publicity of the scheme and cover maximum number of eligible cases. Further, the scheme is implemented by GoK with effect from 01.04.2014. Hence, the list of eligible cases sanctioned after 01.04.2014 may be prepared along with the eligible interest subsidy component and sent to AGM(C), HO, to claim the amount from I&C Department.

The contents of this circular shall be brought to the notice of all the concerned in your office / department.

Encl: As above.

To:
All BMs / AGMs / DGMs of Branches
All IA cells
All Department Heads in HO
All General Managers
Library

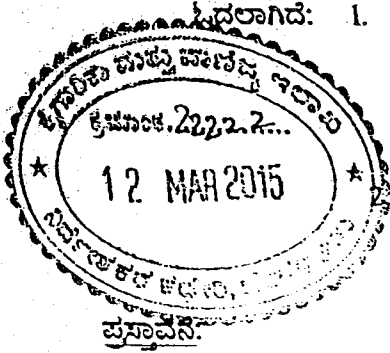
Executive Directors - for information


MANAGING DIRECTOR



ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ನಡವಳಿಗಳು

ವಿಷಯ: ಮೊದಲನೇ ಪೀಳಿಗೆ ಉದ್ದಿಮೆದಾರರಿಗೆ ಬಡ್ಡಿ ಸಹಾಯಧನ ಯೋಜನೆಗೆ ಮಾರ್ಗಸೂಚಿಗಳನ್ನು ಹೊರಡಿಸುವ ಕುರಿತು.



ಓದಲಾಗಿದೆ: 1. ಆಯುಕ್ತರು, ಕೈಗಾರಿಕಾಭಿವೃದ್ಧಿ ಹಾಗೂ ನಿರ್ದೇಶಕರು, ಕೈಗಾರಿಕೆ ಮತ್ತು ವಾಣಿಜ್ಯ ಇಲಾಖೆ, ಬೆಂಗಳೂರು ಇವರ ಪತ್ರ ಸಂಖ್ಯೆ: ಕೈವಾಇ/ಕೈಅ/ಇ/1/451/ಬಡ್ಡಿ ಸ.ಧ/2014-15, ದಿನಾಂಕ: 21.02.2015.
ಸರ್ಕಾರದ ಆದೇಶ ಸಂ: ಸಿಐ 89 ಸಿಎಸ್‌ಸಿ 2014, ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 29.01.2015.

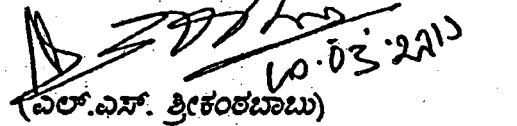
2014-15ನೇ ಸಾಲಿನ ಆಯವ್ಯಯ ಭಾಷಣದ ಕಂಡಿಕೆ-387 ರಂತೆ ಹೊಸ ಪೀಳಿಗೆ ಉದ್ದಿಮೆದಾರರಿಗೆ ಗರಿಷ್ಠ ಶೇ. 6 ರಷ್ಟು ಬಡ್ಡಿ ಸಹಾಯಧನವನ್ನು ನೀಡುವ ಹೊಸ ಯೋಜನೆಯನ್ನು ಓದಲಾದ ಕ್ರಮಾಂಕ (2) ರ ಸರ್ಕಾರಿ ಆದೇಶದಲ್ಲಿ ಜಾರಿಗೊಳಿಸಲಾಗಿದ್ದು, ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಯು, ಈ ಯೋಜನೆಯ ಪರಿಷ್ಕೃತ ಮಾರ್ಗಸೂಚಿಗಳನ್ನು ಸಲ್ಲಿಸಿದ್ದು, ಈ ಮಾರ್ಗಸೂಚಿಗಳನ್ನು ಓದಲಾದ ಕ್ರಮಾಂಕ (1) ರ ಪತ್ರದಲ್ಲಿ ಆಯುಕ್ತರು, ಕೈಗಾರಿಕಾಭಿವೃದ್ಧಿ ಇವರು ಸರ್ಕಾರಕ್ಕೆ ಸಲ್ಲಿಸಿ, ಈ ಪರಿಷ್ಕೃತ ಮಾರ್ಗಸೂಚಿಗಳನ್ನು ಅನುಮೋದಿಸಿ, ಸೂಕ್ತ ಆದೇಶ ಹೊರಡಿಸಲು ಕೋರಿರುತ್ತಾರೆ.

ಸದರಿ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಶೀಲಿಸಿ, ಈ ಮುಂದಿನಂತೆ ಆದೇಶ ಹೊರಡಿಸಿದೆ.

ಸರ್ಕಾರಿ ಆದೇಶ ಸಂಖ್ಯೆ: ಸಿಐ 89 ಸಿಎಸ್‌ಸಿ 2014, ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 10.03.2015

ಮೊದಲನೇ ಪೀಳಿಗೆ ಉದ್ದಿಮೆದಾರರು ಹೊಸ ಉದ್ದಿಮೆಯ ಸ್ಥಾಪನೆಗಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ [KSFC] ಯಿಂದ ಪಡೆಯುವ ಸಾಲಕ್ಕೆ ಗರಿಷ್ಠ ಶೇ. 6 ರಷ್ಟು ಬಡ್ಡಿ ಸಹಾಯಧನವನ್ನು ನೀಡುವ ಯೋಜನೆಗೆ ಈ ಆದೇಶದಲ್ಲಿರುವ ಮಾರ್ಗಸೂಚಿಗಳನ್ನು ಅಳವಡಿಸಿ, ಅದರಂತೆ ಯೋಜನೆಯನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಲು ಸರ್ಕಾರದ ಅನುಮೋದನೆ ನೀಡಲಾಗಿದೆ.

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ


(ಎಲ್.ಎಸ್. ಶ್ರೀಕಂಠಬಾಬು)

ಸರ್ಕಾರದ ಅಧೀನ-ಕಾರ್ಯದರ್ಶಿ (ಸಪ್ತಕೈ),
ವಾಣಿಜ್ಯ ಮತ್ತು ಕೈಗಾರಿಕೆ ಇಲಾಖೆ.

ಇವರಿಗೆ:

ಸಂಕಲನಕಾರರು, ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪತ್ರ, ಬೆಂಗಳೂರು, ಇವರಿಗೆ ಮುಂದಿನ ಸಂಚಿಕೆಯಲ್ಲಿ ಪ್ರಕಟಿಸಿ 50 ಪ್ರತಿಗಳನ್ನು ಈ ಶಾಖೆಗೆ ಒದಗಿಸಲು ಕೋರಲಾಗಿದೆ.

ಪ್ರತಿಯನ್ನು:

1) ಪ್ರಧಾನ ಮಹಾಲೇಖಪಾಲರು (ಜಿ & ಎಸ್‌ಎಸ್‌ಎ) ಕರ್ನಾಟಕ, ಹೊಸ ಕಟ್ಟಡ, 'ಆಡೀಟ್ ಭವನ', ಅಂಚೆ

- 2) ಪ್ರಧಾನ ಮಹಾಲೇಖಪಾಲರು (ಇ & ಆರ್‌ಎಸ್‌ಎ) ಕರ್ನಾಟಕ, ಹೊಸ ಕಟ್ಟಡ, 'ಆಡಿಟ್ ಭವನ', ಅಂಚೆ ಪೆಟ್ಟಿಗೆ ಸಂಖ್ಯೆ: 5398, ಬೆಂಗಳೂರು - 560001.
- 3) ಪ್ರಧಾನ ಮಹಾಲೇಖಪಾಲರು (ಎ&ಇ) ಕರ್ನಾಟಕ, ಪಾರ್ಕ್ ಹೌಸ್ ರಸ್ತೆ, ಅಂಚೆ ಪೆಟ್ಟಿಗೆ ಸಂಖ್ಯೆ: 5329, ಬೆಂಗಳೂರು - 560001.
- 4) ಮಾನ್ಯ ಮುಖ್ಯ ಮಂತ್ರಿಯವರ ಅಪರ ಮುಖ್ಯ ಕಾರ್ಯದರ್ಶಿಯವರು, ವಿಧಾನ ಸೌಧ, ಬೆಂಗಳೂರು.
- 5) ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ, ಯೋಜನೆ, ಕಾರ್ಯಕ್ರಮ ಮತ್ತು ಸಾಂಖ್ಯಿಕ ಇಲಾಖೆ, ಬಹುಮಹಡಿಗಳ ಕಟ್ಟಡ, ಬೆಂಗಳೂರು.
- 6) ಆಯುಕ್ತರು, ಕೈಗಾರಿಕಾಭಿವೃದ್ಧಿ ಹಾಗೂ ನಿರ್ದೇಶಕರು, ಕೈಗಾರಿಕೆ ಮತ್ತು ವಾಣಿಜ್ಯ ಇಲಾಖೆ, ಖನಿಜ ಭವನ, ರೇಸ್ ಕೋರ್ಸ್ ರಸ್ತೆ, ಬೆಂಗಳೂರು-1.
- 7) ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿಯವರ ಆಪ್ತ ಕಾರ್ಯದರ್ಶಿ, ವಾಣಿಜ್ಯ ಮತ್ತು ಕೈಗಾರಿಕೆ ಇಲಾಖೆ, ವಿಕಾಸಸೌಧ, ಬೆಂಗಳೂರು.
- 8) ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು, ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ [KSFC], ನಂ.1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನೇಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು-52.
- 9) ಅಪರ ನಿರ್ದೇಶಕರು (ವಿಶ್ವ), ಕೈಗಾರಿಕೆ ಮತ್ತು ವಾಣಿಜ್ಯ ಇಲಾಖೆ, ಖನಿಜ ಭವನ, ರೇಸ್ ಕೋರ್ಸ್ ರಸ್ತೆ, ಬೆಂಗಳೂರು-1.
- 10) ಸರ್ಕಾರದ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿ, ಆರ್ಥಿಕ ಇಲಾಖೆ (ವೆಚ್ಚ-1), ವಿಧಾನಸೌಧ, ಬೆಂಗಳೂರು-1.
- 11) ಶಾಖಾ ರಕ್ಷಾ ಕಡತ / ಹೆಚ್ಚುವರಿ ಪ್ರತಿಗಳು.

ANNEXURE TO THE GOVERNMENT ORDER No. CI 89 CSC 2014, dated: 10.03.2015

**OPERATIVE GUIDELINES OF INTEREST SUBSIDY SCHEME FOR FIRST GENERATION ENTREPRENEURS
ESTABLISHING NEW MICRO & SMALL INDUSTRIES**

- 1. Title of the Scheme:** Interest Subsidy Scheme for New Micro & Small Industries to First Generation Entrepreneurs
- 2. Introduction :** Govt. of Karnataka has announced Interest Subsidy Scheme for establishment of Micro & Small Enterprises by First Generation Entrepreneur. Karnataka State Finance Corporation is playing a major role in the development of MSME in the State. It is the Major source of financing the 1st Generation Entrepreneurs in the State. The interest rate of KSFC is not competitive for the 1st generation entrepreneurs to avail loan for establishment of micro and small enterprise come up with new scheme to subsidise interest rate for the loan assistance sanctioned by KSFC.
- 3. Coverage & Eligibility :**
 1. The scheme covers whole state of Karnataka
 2. Micro & Small enterprises as defined under MSMED Act with total project cost up to Rs.100 lakhs are eligible. However certain activities specified in Sl. No.6 are not eligible.
 3. Only term loan sanctioned by KSFC to Micro & Small enterprise are eligible for interest subsidy for the project cost up to Rs.100 lakhs. The detailed terms and conditions as specified in the lending schemes of the KSFC including particulars like promoters contribution, Debt Equity Ratio, security margin, rate of interest, repayment period and repayment mode etc., are applicable.
 4. Interest subsidy sanctioned / covered under any of existing scheme such as Technology up gradation / Interest subsidy scheme under Industrial Policy / Interest subsidy scheme to SC/ST entrepreneur are any other Govt. of India / Govt. of Karnataka scheme are not eligible for benefits under this scheme.
- 4. Objective:** The objective of scheme is to provide access to large number of 1st generation entrepreneurs to cheaper finance for establishment of micro & small enterprise
- 5. Definition of 1st generation entrepreneur :** 1st generation entrepreneur is defined as a person / individual / partnership firm / Company registered under companies Act who has floated the venture enterprise for establishing micro & small enterprise for the First time. In case of partnerships / company, all partners / directors should be the first generation entrepreneurs i.e., the person / individual / partnership firm / Company shall not have any share or holding in any of the existing enterprise.
- 6. Activities :** All manufacturing / service activities as defined in the MSMED Act with total project cost not exceeding Rs.100 lakhs are eligible for availing interest subsidy. The following activities shall be excluded
 1. All infrastructure projects, kalyana mantaps , hotels, lodges, restaurants, guest houses, housing, commercial building etc.,
 2. Business / trading activities ✓
 3. Malls / cinema houses etc. ✓
 4. Transportation / conveyance / vehicles etc. ✓
 5. List of Industrial activities / enterprises as mentioned in Annexure-2 of New Industrial Policy 2014-19 ✓

7. Operation & scale of finance: The scheme shall be operated by Karnataka State Financial Corporation (KSFC). Only term loan sanctioned by KSFC to micro and small enterprise upto project cost of Rs.100 lakhs is eligible for interest subsidy.


8. Interest and period of eligibility: The interest will be subsidised to KSFC over and above the 8%, subject to maximum of 6%. The interest subsidies shall be eligible for the complete term loan repayment period as fixed by the KSFC and shall be effective from the first instalment of loan sanctioned by KSFC after 01.04.2014.

At present the scheme to be covered for 10 years & extendable for further period.

9. Procedure for claiming interest subsidy: The interest subsidy will be made available to KSFC in advance (upfront). The subsidy will be passed on the beneficiaries by KSFC on monthly basis. The interest will be computed on contract rate. The interest subsidy component shall also be indicated in the demand notice sent to the loanee. On the due date loanee will pay the interest amount net of subsidy. The interest subsidy passed on the beneficiaries by KSFC on monthly basis and district-wise consolidated statement for every quarter ending shall be forwarded to the Directorate of Industries and Commerce in the below format. Utilisation certificate shall be submitted to the Directorate for the amount of expenditure incurred for every year ending on or before 30th April.

Districtwise consolidated statement of interest subsidy passed on to 1st generation entrepreneurs for the quarter ending ----- by KSFC Year -----

Sl. no	Name of the District	1 st generation entrepreneurs to whom loan sanctioned		interest subsidy passed upto previous quarter ending _____		interest subsidy passed for this quarter ending _____		Cumulative interest subsidy passed for quarter ending _____		Remarks
		No. of units	Amount	No. of units	Amount	No. of units	Amount	No. of units	Amount	
1	2	3	4	5	6	7	8	9	10	11


S. SRIKANTABABU 10.03.2015

Under Secretary to Government (SSI),
Commerce & Industries Department.



LIST OF INDUSTRIAL ACTIVITIES / ENTERPRISES NOT ELIGIBLE FOR INCENTIVES AND CONCESSIONS

1. Breweries & Distilleries of all types excluding winery
2. Khandasari and Jaggery making enterprises
3. Photo Studios & Color Processing and instant photo printing Enterprises
4. Photo Copying / Xerox Machines / Fax Machines / Data Entry/Data Recovery, enterprises
5. Fertilizer Mixing units
6. Units engaged in Re-packing of Drugs / Medicines / Chemicals, without any processing or value addition
7. All types of Saw Mills excluding manufacture of particle board/ Low Density Fiber Board (LDF)/Medium Density Fiber Boards(MDF)/High Density Fiber Boards(HDF)
8. Beedies / Cigarettes / Cigars / Gutka & Tobacco based products manufacturing enterprises.
9. Azoic / Reactive Dyes manufacturing enterprises
10. Fire Cracker manufacturing enterprises
11. Industries manufacturing and / or utilizing Ozone depleting substances
12. Laundries including Power Laundries
13. Brick making Enterprises including Cement Hollow Blocks excluding Wire Cut & Fly Ash Bricks and Refractory Bricks
14. Poultry excluding hatcheries
15. Popcorn and Ice candy making Enterprises excluding Ice Cream Manufacturing
16. Coffee roasting and Grinding units having installed capacity of less than 2MT/day capacity.
17. Clock and Watch / Mobile / Computer and Hardware equipments repair enterprises
18. Cassette recording [Audio & video] enterprises
19. Cyanide Manufacturing enterprises
20. Mining and Mining Equipments
21. Lime kiln / burnt lime units
22. X-ray clinics and clinical / pathological laboratories and scanning, M.R.I. testing enterprises
23. All industries of mobile nature like rigs, concrete/tar mixing plants/hot mix plants including site oriented industries.
24. Units engaged in manufacture of Chrysolite Asbestos (White crystal)
25. All types of Saloon / Spas / Massaging Centers etc.
26. All types of hotels/restaurants/resorts/amusement parks etc.