



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ
1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION
(Established under the State Financial Corporations Act, 1951)

Ref: KSFC/HO/AGM(C)/2023-24 /C-2796.

Date: 13th December 2023

14.

INTER OFFICE NOTE

**Sub : Steps to be followed for Accounting Interest Subsidy
pertaining to Scheme for Entrepreneurs belonging
to Backward Classes(Category 1 & 2A Castes)
Ref : Circular No. 1040 dated 04th December 2023**

The Interest Subsidy Scheme for the Entrepreneurs belonging to Backward Classes(Category 1 & 2A Castes) for establishing/expansion/modernization/diversification of units to be engaged in manufacturing/service sector activities was introduced vide *GO No. BCW 396 BMS 2023 Bengaluru dated 10-10-2023*. The detailed Guidelines in this regard have already been issued vide Circular quoted under reference. The Accounting Guidelines for the above Scheme are as follows :

- The Branches should ensure that the guidelines of eligibility are fully adhered to at the time of sanction as detailed in the Circular quoted under reference.
- After sanction, a report should be sent to AGM[C] in the format generated in the computer system with the certification of the Branch Manager immediately after the sanction of such loan. The report can be generated from the following option :

**General Enquiry Reports – General Reports – Interest Subsidy Reports -
Letter sent to HO Controller**

Activation of the case for interest subsidy will be done by Controller Department, Head Office, based on this report.

Without enabling, the Branches cannot consider the loan for disbursement.

- In Pre-Demand checking, a report showing the list of units covered under this scheme is available. This list needs to be checked before every demand generation and any addition/deletion of unit need to be informed to Controller/IT Department for addition/deletion before generating the demand. The Demand Notice will indicate the interest at the contract rate & subsidy component.
- 100% verification of the demand generated needs to be carried out before dispatch of Demand Notice. Any discrepancy found needs to be informed to IT department for rectification.
- The benefit of subsidy will be provided only to such beneficiaries who make the Payment on or before the due date. After drawal of receipt, the Branches need to allocate the interest subsidy using the following options without fail :

**Accounts – Accounts Process – Periodic Processes – GOK Interest Subsidy
allocation**

→ 2

ಪ್ರಧಾನ ಕಛೇರಿ: ನಂ.1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನ್ಮೆಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು - 560 052

**Head Office: No. 1/1, Thimmaiah Road, Near Cantonment Railway Station, Bengaluru-560 052
Telephone: 080-22263322, email: contact.ksfc@karnataka.gov.in**



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-: 2 :-

In respect of payments made by way of cheques on or before due date, or after the due date within the demand month, the borrowers need to pay the Demand amount less subsidy. If the payment is made after due date within the demand month, the Branches should ensure realization of Cheque and allocate interest subsidy using the following option without fail. They need not wait till regular BRS.

Accounts –Journal - Cheque Realisation & Allocation of SC/ST/First Generation/ Women Entrepreneur & other subsidy cases

If sufficient funds are not available under Backward Classes Entrepreneur Subsidy, then a condition will be included in the Demand Notice stating that the entrepreneur need to pay full Demand without deducting the Interest Subsidy component. In such cases, the Subsidy will be reimbursed as & when the funds are made available for allocation of Interest Subsidy. In such cases, the Branches need to use the following option for each unit to allocate the Interest Subsidy without fail. Also Advance Appropriation need to be executed after this.

Accounts – Journal - Loan Accounting - Interest Subsidy for SC/ST/First Generation/Women entrepreneur & other subsidy cases – Funds delayed from GOK.

The Accounting entries to be passed are enclosed herewith as Annexure-I.

Request has been submitted to the Backward Classes Welfare Department, GOK for release of funds under the Scheme. The same is awaited. Meanwhile, the Borrowers have to pay interest at contract rate only. On receipt of funds from GOK, the backlog Interest Subsidy will be released to the beneficiaries.

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

Asst. General Manager [C]

To:

All the DGMs /AGMs/BMs of Branch Offices
All the Internal Audit Cells
EA to MD
Library

General Managers }
HOD(Internal Audit) } – for kind information
HOD(IT & MIS) }

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ANNEXURE - I

Accounting Entries in respect of Scheme for Backward Classes Entrepreneurs

Consequent to incorporation of Subsidy Scheme for Backward Classes Entrepreneurs in the On-line system, the following new GL Codes have been introduced in the On-line Accounting System :-

Sl. No.	GL Code	Nominclature
1	8095	Interest Subsidy- Backward Classes Entrepreneurs
2	15235	HO A/c : Interest Subsidy for Backward Classes Entrepreneurs

The Branch office are advised to pass the necessary Journal entries as given below :

Sl. No.	Entries to be passed	Particulars/Narration for the JEs
<i>a) In the Books of Branch Offices :</i>		
1	GL 8095	Dr. Auto JE generated through system for
	GL 23159 / 80010	Cr. allocation of subsidy amount
2	GL 15235	Dr. To be passed on the 01 st day of the month for
	GL 8095	Cr. balances available at previous month end
3	GL 15000	Dr. <i>Year end JEs</i> : to be passed for transfer of
	GL 15235	Cr. balances to HO
<i>b) In the Books of Head Offices :</i>		
1	GL 8095	Dr. To be passed on the 01 st day of the month
	GL 15235	Cr. based on the entries passed by BOs
2	GL 15235	Dr. <i>Year end JEs</i> : to be passed for transfer of
	Respective BO Codes	Cr. balances from BOs

Htr →

Asst. Gen. Manager(C)

