

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject: As announced in the budget of 2021-22 for extension of the Existing scheme of 4% interest subsidy to the entrepreneurs of scheduled castes and scheduled tribes to start commercial and business activities like shops/ dealership/franchise and hotel industries, to avail the loan up to a maximum of Rupees one crore from Scheduled Commercial banks regarding.

Read: The letter no.Sakani/SCSP/CR-01/2021-22 Dated: 19-04-2021 of Commissioner, Social Welfare Department

Preamble:

In the above said letter under reference it is stated, that in the budget speech of 2021-22 at para no.141 the following announcement is made in relation to Social Welfare Department.

“The Existing scheme of 4% interest subsidy to the entrepreneurs of scheduled castes and scheduled tribes will be extended to commercial and business activities like shops/dealership/franchise and to start hotel industries. Under this scheme, opportunity will be created to avail loan up to a maximum of Rupees one crore from Scheduled Commercial banks”

It is requested to issue the government order as per the announcement of the Budget of 2021-22 for Extension of existing 4% interest subsidy scheme for the entrepreneurs of scheduled castes and scheduled tribes to start shops/dealership/franchise and hotel industries and to avail loan upto a maximum of one crore rupees, the interest subsidy amount will be met from the budget provided to Social Welfare Department/Tribal Welfare Department under SCSP/TSP either in various development schemes for SC/ST or from the unspent amount under the relevant head of account.

Issued
27/8/2021

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Therefore the following government order is issued after the examining in this regard.

GOVERNMENT ORDER NO.SWD 157 SLP 2021, BANGALORE,

DATED: 25-08-2021

As explained in the preamble it is hereby ordered that as announced in the Budget of 2021-22 for the Extension of existing 4% interest subsidy scheme for the entrepreneurs of scheduled castes and scheduled tribes to start shops/dealership/franchise and hotel industries and to avail loan upto a maximum of one crore rupees.

The expenditure to be incurred for interest subsidy will be met from the budget provided to Social Welfare Department/Tribal Welfare Department under SCSP/TSP either in various development schemes (2225-01-796-0-02/2225-02-794-0-02) for SC/ST or from the unspent amount if any under the relevant head of account within the limit of grant provided to implementing the scheme as per the guidelines and in the transferent manner. The guidelines are enclosed. (**annexure-1**).

This order issued with the concurrence of Finance department vide note no.FD 239 Exp.3/2021 dated 26-05-2021 and the note no.PDS 17 IMM 2021 dated 13-7-2021 of planning department and government order no.FD 02 TFP 2020 dated 13-5-2020 regarding the delegation of financial powers to government Principal Secretary/Secretary.

The Government Order vide No. ಸಕಇ 157 ಎಸ್‌ಎಲ್ ಪಿ 2021 ದಿನಾಂಕ: 17-07-2021 is withdrawn.

By Order and in the name of the
Governor of Karnataka,


(L.Narashimhamurthy)

Under Secretary to Government-1,
Social Welfare Department.

To:

1. The Principal Accountant General (A &E, Audit 1 & 2), Karnataka, Bengaluru

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2. The ACS to Finance Department, Bengaluru.
3. The Commissioner for Social Welfare Department, Bengaluru
4. The Director for Tribal Welfare Department, Bengaluru
5. Conviner, SLBC, Canara Bank, Town Hall Circle, Bengaluru
6. Managing Director/Zonal Manager/Regional Manager of Scheduled Commercial Banks, Bengaluru, Karnataka
7. Managing Director, The Karnataka State Cooperative Apex Bank Limited, Bengaluru
8. Managing Director, District Co-operative Central Banks of all Districts
9. Under Secretary to Government (Exp.-3&9), Finance Department, VidhanaSoudha, Bengaluru
10. Spare/Additional Copies Department.

through
Commissioner
SWD.

ANNEXURE-I OF G.O.NO.
SWD 157 SLP 2021 DATED 25-08-2021
GUIDELINES

Subject: As announced in the budget of 2021-22 for extension of the Existing scheme of 4% interest subsidy to the entrepreneurs of scheduled castes and scheduled tribes to start commercial and business activities like shops/ dealership/franchise and hotel industries, to avail the loan up to a maximum of Rupees one crore from Scheduled Commercial banks regarding.

- 1) The loan under the scheme is to be extended to SC/ST entrepreneurs to commercial and business activities like shops/ dealership/franchise and hotel industries.
- 2) The individual entrepreneurs shall be from SC or ST. In case of partnership firm/LLP/company etc., all partners shall be either from SC or ST.
- 3) The SC/ST caste certificates submitted by the entrepreneurs may also be referred to WWW.nadakacheri.karnataka.gov.in. in revenue department website for RD Number to know whether the certificate is issued officially by the authorities of government or not. In case of any complaints regarding false caste certificate against the borrowers under this scheme, the same may be referred to Social Welfare Department for further action and information to the banks. In case of false caste certificate, if proved, the borrower has to payback the entire interest subsidy availed and they are liable for prosecution also.
- 4) The loan may be taken one time or more than one time and for more than one activity within the limit of Rs.1.00 crore only. If once the loan of Rs.1.00 crore is taken then the entrepreneurs are not eligible to take further loan under this scheme. Any borrower if already availed the loan under 4% interest scheme

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of Government of Karnataka, such borrowers are not eligible for loan under this scheme.

- 5) Out of the maximum loan of Rs.1.00 crore, it can be term loan and working capital or both.
- 6) The borrower has to pay only 4% interest on the loan amount of maximum of Rs.1.00 crore and remaining interest out of the eligible rate of interest chargeable will be reimbursed to the banks by the government.
- 7) However, if the banks sanction loan depend upon activity/project more than Rs.1.00 crore, then the entire interest on the loan amount over and above Rs.1.00 crore will be paid by the borrower. That means the interest subsidy is restricted only to Rs.1.00 crore.
- 8) Only one in the family or jointly with other members of the same family are only eligible for taking the loan upto Rs.1.00 crore. The family means wife, husband and minor children and dependent unmarried daughter.
- 9) Repayment:- The repayment period is 5 years including moratorium period.
- 10) The interest subsidy will be reimbursed from the date of first actual disbursement of loan amount and further disbursements there after.
- 11) Banks will be responsible for recovery of the loan amount and interest at the rate of 4% from the borrower.
- 12) In case of default in repayment of instalments and interest by the borrower as per the instalments fixed by the banks within the allowable repayment period of 5 years, the government will not reimburse the difference of the interest for the defaulting period of instalments. However, once the instalments are regularised after due payment, the interest subsidy is available after such regularisation.

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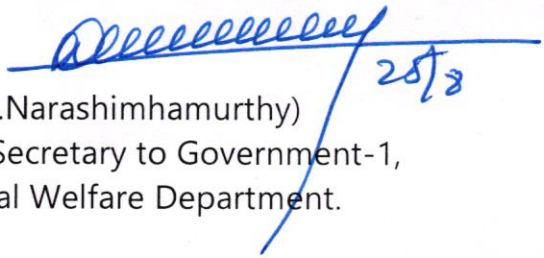
- 13) The scheduled commercial banks shall appoint the Nodal Officer and Nodal branch on behalf of their bank for the purpose of submitting the interest subsidy claims to the government.

In case of Scheduled Caste borrowers the claims be submitted to the Commissioner, Social Welfare Department, 5th Floor, M.S.Building, Dr.B.R.AmbedkarVeedhi, Bengaluru-560001 (080-22253783) and in case of Scheduled Tribes to Director, Tribal Welfare Department, Race course Road, Bengaluru. (080-22261787) these government officers will reimburs the subsidy to the banks on receipt of the claims.

For convience of reimbursement, a lumpsum amount may be kept in the nodal branch of the banks by the commissioner/director for adjustment of interest subsidy for all the loans sanctioned by the branches of that bank as in the case of KSFC and submit the utilisation certificate to the commissioner/director.

The commissioner/director shall monitor the same and also install the suitable software for this purpose.

- 14) The implementation of the scheme will also be brought to the notice of the State Level Bankers Committee in their periodical meetings.
- 15) All the scheduled commercial banks are requested to create awareness among their branches/officers by giving suitable instructions to implement the schemes and help the SC/ST entrepreneurs.


(L.Narashimhamurthy)
Under Secretary to Government-1,
Social Welfare Department.