



Department of Industries & Commerce  
Government of Kerala



കോവിഡ് സമാശ്വാസ പദ്ധതി

# COVID SAMASHWASA PADHATHI

A Special Covid Relief Package for  
Industries in Kerala



**KSIDC**

Kerala State Industrial  
Development Corporation Ltd. (KSIDC)



Directorate of Industries Commerce



Kerala Industrial Infrastructure  
Development Corporation (KINFRA)

The second wave of Covid-19 has affected the normal life in Kerala. Owing to rapidly increasing infections in the state, Government of Kerala imposed a total lockdown on May 8<sup>th</sup> 2021. The lockdown was subsequently relaxed in some regions in the second week of June 2021. The industrial activity was seriously affected due to the lockdown and MSMEs have reportedly suffered heavy losses. Although the actual loss is yet to be estimated, Government is convinced that owing to their business model and vulnerability due to external forces like lockdowns, Government is keen to assist Industrial units in the State to bounce back to normalcy as early as possible. As part of its efforts to support the industry, Government has formulated a relief package called COVID-19 Samahswasa Padhathi.

### **The package includes the following relief measures**

1. The Interest Subvention Scheme announced in Vyvasaya Bhadratha, which was valid up to 31<sup>st</sup> December 2020 will be extended to one more year, till 31<sup>st</sup> December 2021. As per this scheme, all MSMEs availing institutional finance will be assisted with a 50% interest subvention for a period of 12 months. The total eligible assistance will be up to RS 1,20,000 per unit. An estimated 5000 number of MSMEs are likely to avail this benefit with an overall package of Rs 400 Crores.
2. Increasing the assistance under Entrepreneur Support Scheme. During this package period, the overall subsidy that can be availed by an eligible unit is increased from Rs 20 Lakhs to Rs 30 Lakhs, for certain categories and Rs 30 Lakhs to RS 40 Lakhs for priority Industries and industries in backward districts. An estimated 3000 units / entrepreneurs are likely to be assisted by this scheme, availing Rs 445 Crores from various financial institutions. Women, Youth, SC/ST and Non- Resident Keralites (NRK) will be get 25% of the assistance under ESS in this scheme. Priority Industries – Rubber based, Agro based, food processing, readymade garments, non-conventional energy generation, equipment & Machinery manufacturing industries, bio-technology industries and 100% export-oriented units, bio-degradable plastic and plastic waste recycling industries and bio-fertilizer industries will get the maximum assistance of 45%. The quantum of assistance will be raised to 40%, not exceeding 40 Lakhs. Similarly, 45% of assistance will be extended to backward districts such as Idukki, Wayanad, Kasaragod and Pathanamthitta.
3. Expanding the scope of assistance to Nano units. The Nano units involved in service sector will become eligible for assistance under this scheme. By this endeavor, close to 600 service sector Nano units are likely to get the margin money assistance with overall loan amount of Rs 60 Crores.
4. The Interest Subvention Scheme for Nano Units. As of now, the interest subventions scheme is allowed only for units with a capital investment of Rs 5 Lakhs. Now it is proposed to include all Nano units with capital investment up to Rs 10 Lakhs for this assistance. In addition to this, all the

service sector Nano units with capital investment of Rs 10 Lakhs will also become eligible under the scheme. The loan that can be availed by Nano units as a result of this expansion will be around Rs 30 Crores.

(The total financial implications for DIC will be Rs.113 Crores)

5. All KSIDC customers who have availed loan and are unable to repay the same due to Covid related restrictions can now avail the scheme of restructuring without the account getting labelled as a Bad debt. A loan amount of Rs 179 Crores will be restructured in this fashion without any burden for the customers.
6. KSIDC has allowed moratorium on repayment of top-up loan for six month from 1st October 2020 to 31<sup>st</sup> March 2021. Now this moratorium will be extended for another three months from April to June 2021. The interest on the extended moratorium will be waived (for three months). (The estimated financial implications will be Rs 66 Lakhs)
7. KSIDC will waive all penal interest for its customers for one year from April 2021 for the entire financial year. (The estimated financial implications are Rs 2 Crores)
8. KSIDC will for the first-time sanction Rs 100 crore are soft loan for MSMEs with an interest of 5% as the lending rate. It is estimated that about 150 companies are likely to be benefitted under this scheme. (The financial implications will be Rs 2.5 Crores).
9. KSIDC will sanction Rs 100 crore are soft loan for returnee migrants – selected by Norka Roots – at interest rate of 5%. The difference in interest – financial implications for KSIDC will covered by Norka Roots)
10. KSIDC will extend special loan for industries coming under the Covid related healthcare activities. Under this scheme, a special rate of 5% interest. An estimated RS 100 Crores will be disbursed under the scheme. (The financial implications will be Rs 2.5 Crores)
11. Waiving of rental in Standard Design Factories for three months from April to June 2021 for all the customers in KSDIC SDFs.
12. Waiving of common facility charges for all the users for three months from April to June 2021.
13. A new OTS scheme will be implemented in KSIDC for all the defaulting units to regularize their accounts, till 31<sup>st</sup> December 2021.
14. KSIDC will continue to offer land for industrial activity on a down payment of 20% of the cost and to pay the remaining 80% in five equal annual installments without any interest. (The total financial implications for KSIDC will be Rs 18.16 Crores)
15. KINFRA will waive rentals for its customers in the Standard Design Factory for three months from April to June 2021.
16. KINFRA will waive CFC charges for its customers for three months from April to June 2021.

17. KINFRA will freeze the cost of land in its industrial parks at the rate that prevailed in March 2020. The allottees will be able to avail the land with 20% down payment and the rest in five yearly annual instalments without interest.
18. KINFRA will implement a special OTS scheme for its customers with bad debts providing avenues to settle the outstanding dues.  
(The total financial implications for KINFRA will be RS 8 Crores)

The scheme will be effective from 1<sup>st</sup> July 2021 and will last till December 2021. All the 17 concessions and incentives are likely to have loan disbursement of Rs. 1416 Crores, from all financial institutions. The Government of Kerala will extend a financial assistance of Rs 139 Crores out of the budgetary provisions, through interest subventions and subsidies as mentioned above.

### **For more details, please contact:**



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