



GOVERNMENT OF KERALA

Abstract

Tourism Department - Crisis in the tourism industry due to the out break of COVID-19 - Tourism Employment Support Scheme -Relief scheme - Approved - Orders issued.

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**TOURISM (C) DEPARTMENT**

**G.O.(Rt)No.269/2020/TSM**

Dated,Thiruvananthapuram, 14/08/2020

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Read : Letters No. DIRECTOR-4046/2020 dated 28.6.2020, 10.8.2020 and 11.08.2020 from the Director, Department of Tourism.

ORDER

Kerala Tourism has been a significant contributor to the economy of Kerala for decades with revenue of Rs.45,019 crores to the sector in 2019 and providing employment to approximately 1.5 million people, directly or indirectly. The tourism industry in Kerala is facing unprecedented challenge by the COVID-19 virus pandemic which brought the entire tourism industry to a grinding halt with an estimated loss of Rs.20,000 crores. This effect of COVID-19 is expected to affect the tourism industry for more than 6 months before the tourists get enough confidence to travel. Many of the staff in various tourism establishments are facing lay off / unpaid leave / reduced wages due to nil business and they are facing lot of hardships.

2) In order to safeguard the interests and to provide support for the employees in the tourism industry, the Director of Tourism, as per the letters read above, proposed a loan interest subvention scheme in association with Kerala Bank (Kerala State Cooperative Bank) for the employees in the tourism sector. In this scheme, Kerala Bank will provide short term loans to the employees as requested by the establishments at an interest rate of 9% per annum. The Department of Tourism will absorb 6% of the interest for a total period of 18 months and the remaining 3% will have to be borne by the borrower concerned. The employer shall submit the list of employees (permanent/contract/daily wage) working in their establishment and can avail a loan up to Rs.30,000/- per employee in the

following 3 categories:

Category 'A' :- Rs.30000/- per employee

Category 'B' :- Rs.25000/- per employee

Category 'C' :- Rs.20000/- per employee.

The Loan scheme of Kerala Bank for the employees in the tourism sector and the Guidelines regarding eligibility and procedure for implementation of the scheme are appended to this order. The validity period for availing the loan shall be till 30.09.2020 and the repayment shall be done by the loanee in 18 months including 4 months moratorium.

3) Financial commitment to Government in this scheme for a total loan amount of Rs.100 crores at the rate of 6% interest subvention for 18 months is approximately Rs.9 crores. The Department of Tourism requires an initial amount of Rs.2 crores initially for the interest subvention under this scheme.

4) Government have examined the matter in detail and are pleased to approve the Tourism Employment Support Scheme as detailed above and as per the loan scheme of Kerala Bank and the guidelines appended to this order. Sanction is also accorded to meet the amount required to provide interest subvention under this scheme from the subsidies plan head of account "3452-80-800-90(26)-33(P)-Incentives for Creation of Infrastructure facilities and Tourism products in the private sector".

5) The Director, Department of Tourism shall furnish re-appropriation proposal to provide funds under the head of account "3452-80-800-90(26)-33(P)-Incentives for Creation of Infrastructure facilities and Tourism products in the private sector" from the head of account "3452-80-104-99(P)-Conservation, Preservation and Promotion of Heritage, Environment and Culture" to meet the initial requirement of Rs.2 crores towards this scheme.

6) The Director Department of Tourism shall prepare an online portal for implementation of the scheme.

(By order of the Governor)

**RANI GEORGE**

**SECRETARY**

The Director, Department of Tourism, Park View, Thiruvananthapuram.

The Chairman & Managing Director, Kerala State Co-operative Bank

(Kerala Bank), Thiruvananthapuram.

The Principal Accountant General (A&E) Kerala, Thiruvananthapuram.

The Accountant General(Audit-I&Audit-II)Kerala, Thiruvananthapuram.

Finance Department (Vide U.O.(f) No. 1531387/EXP.B3/190/2020-FIN dated 03.08.2020).

Planning & Economic Affairs Department (Vide U.O.(f) No. PLGEA-A2/123/2020-PLGEA dated 10.08.2020).

Information & Public Relations (Web & New Media) Department

(For publishing in the Government website).

Stock File / Office Copy.

Copy to:- PS to Minister (Tourism).

PA to Secretary (Tourism.)

CA to Additional Secretary (Tourism).

Forwarded /By order

  
Section Officer



**Kerala State Co-operative Bank**

[KB- Loan to Tourism Employees](#)

## I. KB-Tourism Gold Loan scheme

### **1. Purpose:-**

Loans to the employees working in establishments engaged in the tourism sector such as Resorts, Home stays, Hotels, Tour Operators (Licensed/Accredited) and who are affected by the detrimental effect of COVID-19 pandemic.

### **2. Validity of the Scheme:-**

Up to 30.09.2020

### **3. Quantum of Loan:-**

Maximum of Rs.30000/-per employee.

**Note:-**As per the recommendation of the Employer, the branches can sanction the loan in three categories.

Category 'A' - 30000/- per employee

Category 'B' - 25000/- per employee

Category 'C' - 20000/- per employee

### **4. Eligibility:-**

**4.1.** Permanent/ Contract /Daily wages Employees of businesses working in the tourism sector such as Home stays, Resorts, Hotels, Tour Operators who are licensed/accredited.

**4.2.** The list of employees submitted by the employer for availing credit facility must be certified by the Deputy Director, Tourism Department of the respective district.

### **5. Interest:-**

**5.1.** 9% p.a

**5.2.** 6% interest will be borne by the Tourism Department and 3% by the borrower concerned.

**5.3.** In the event of default, penal interest @ 2 % over and above the interest rate at which the loan was disbursed will be charged for the period of default from the employee.

### **6. Nature of facility:-**

Short -Term loan

## **7. Area:-**

The scheme will be offered by all the branches of the bank.

## **8. Security:-**

The loan shall be sanctioned on the pledge of gold/ gold ornaments of 22-carat purity at rate fixed by the Bank from time to time taking into account the market value. The Loan to Value ratio shall be 75%.

## **9. Service charge/Processing fee:-**

Nil

## **10. Repayment:-**

18 months EMI including 4 month moratorium period.

## **11. Delegation of Powers:-**

Branch Manager/Manager/ 2nd Officer or any Officer duly authorized by the Branch Manager.

## **12. Other conditions:-**

**12.1.** The borrower must open a Savings account with the Bank.

**12.2.** The concerned Establishment must open a Current Account with the Bank.

**12.3.** KYC details of the Borrower and the Employer.

**12.4.** All other conditions as applicable to gold loan scheme.

## **13. Documents required:-**

**13.1.** Documents as per the Extant guide lines of Gold loan scheme.

**13.2** Copy of license /Accreditation certificate of the Establishment.

**13.3.** Copy of the employees list certified by the Deputy Director, Tourism Department.

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## ❖ II. KB- Tourism Personal Loan Scheme

- ❖ In case the borrower is unable to pledge gold as security for availing loan under this scheme, the collateral security of the employer can be accepted in lieu of gold.
- ❖ All the conditions of the Tourism Gold loan Scheme as mentioned above is applicable to this scheme also.
- ❖ **Security:-**
- ❖ Collateral security not less than 150% of loan amount should be pledged by the Employer.
- ❖ **Conditions:-**
- ❖ Documents and procedures as per the Extant guide lines of Mortgage loan scheme

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## **Guide Lines in respect of the Kerala Bank-Tourism Loan scheme**

Kerala Tourism has been a significant contributor to the economy of Kerala for decades with revenue of Rs 45,019 crores to the sector in 2019 and providing employment to 1.5 million people (directly or indirectly). Kerala received more than 1.19 million foreign tourists and 18.4 million domestic tourists last year with an impressive annual growth of 8.52% and 17.81% respectively. However, COVID-19 virus pandemic has brought the entire Tourism industry to a grinding halt with an estimated loss of Rs 20,000 crores. The ban of all domestic and international flights, cancellation of trains and all local transport has made the Tourism industry bookings to almost zero. All the stakeholders – Tour operators, Hotel/resort operators, Ayurveda centres, Homestays, Houseboats, restaurants, tourist guides, hospitality and transport providers – are losing their daily bread due to this problem. This effect of COVID-19 is expected to hit Tourism industry for more than 6 months before the tourists get enough confidence to travel. Many of the staff in these tourism establishments are facing lay off/unpaid leave/reduced wages due to nil business and they are facing lot of hardships.

In this regard, to safeguard the interests and for subsistence of the employees in the Tourism industry, Government would like to take up a loan interest subvention scheme, wherein the Government will pay 6% loan interest subvention for the loan taken by the employee as detailed below.

In this scheme, the Tourism Industry partners can apply for a soft loan from the Kerala State Co-Operative Bank (Kerala Bank) at an interest of 9% p.a. Of which, the borrower may pay only 3% and the remaining 6% will be absorbed by the Department of Tourism.

***The soft loan scheme proposed by the Kerala Bank is attached.***



## **1. Purpose:-**

The employees in the travel and tourism sector are one among the worst affected category as a result of the Covid 19 pandemic and the subsequent lockdown. In order to provide them a relief, Department of Tourism has approached the Kerala Bank to envisage a soft loan facility to employees working in establishments engaged in tourism sector such as Hotels, Resorts, Ayurveda Centres, Home stays, Serviced Villas, House Boats, Tour Operators (Accredited with Department of Tourism, Government of Kerala / India Tourism), Transport Operators accredited with India Tourism, Tourist Motor Boat Operators (having valid license from the Port Department) etc who are affected by the detrimental effect of COVID-19 pandemic. The scheme intends to provide interest subvention on such loans for a period of 18 months for such borrowers.

## **2. Eligibility:-**

Permanent/ Contract /Daily wage employees working in tourism sector in Kerala in the following establishments.

- a. Resorts & Hotels having valid Star classification from the Ministry of Tourism, Government of India/ valid license from the local self Government body (Copy of certificate to be enclosed)
- b. Ayurveda Centres classified by Department of Tourism, Government of Kerala (Copy of certificate to be enclosed)
- c. Tour Operators/ Travel Agents - Accredited with Department of Tourism, Government of Kerala / India Tourism with registered office in Kerala (Copy of certificate to be enclosed)
- d. Transport Operators accredited with India Tourism with registered office in Kerala (Copy of certificate to be enclosed)
- e. Tour Operators/ Travel Agents (with registered office in Kerala) who are having valid GST Registration (as Tour operator/Travel agent) and have filed GST returns for the last two years (Copy of GST returns for the last two years to be enclosed)

- f. House Boats having valid license from the Port Department (Copy of certificate to be enclosed)
- g. Restaurants classified by Department of Tourism, Government of Kerala (Copy of certificate to be enclosed)
- h. Serviced Villas - Approved by Dept of Tourism (Copy of certificate to be enclosed)
- i. Classified Grihasthali Units (Copy of certificate to be enclosed)
- j. Home Stays - Classified by Dept of Tourism (Copy of certificate to be enclosed)
- k. Tourist Motor Boat Operators having valid license from the Port Department (Copy of license to be enclosed)

### **3. Interest Subvention from Government**

**The Kerala Bank will provide short term loans to the employees as requested by the establishments at an interest rate of 9% p.a.** The Department of Tourism will absorb 6% of the interest for a total period of 18 months and the remaining 3% will have to be borne by the borrower concerned. The share of interest in respect of the Department of Tourism will be released to the Kerala Bank on a quarterly basis on receipt of the demand notice from the Bank.

### **4. Procedure of implementation**

- The employer, as detailed in clause 2 above, shall file a formal application along with the details of employees (permanent, contract and daily wage), who wish to avail the loan, online to the Deputy Director, Department of Tourism of the respective District. The applicant establishment should submit the formal application in the online platform hosted in [www.keralatourism.org](http://www.keralatourism.org) along with the required documents.
- The employer should submit a document showing at least six months service in the particular establishment prior to 29<sup>th</sup> February 2020 in respect of the concerned employee along with the application.

Any one of the following documents may be produced in support of the claim.

- a. Pay Roll of the establishment
- b. Document showing deduction of EPF contribution/ ESI subscription

- c. Agreement executed in between the Establishment and the service provider in the case of contract employees. The establishment should certify that the particular employee has been engaged for their service during the said period in the case of contract employees.
- The Deputy Director, Department of Tourism of the concerned District should verify the documents and certify the same.
  - The Deputy Director, Department of Tourism will forward the application to the Director, Department of Tourism, if the application is satisfactory in all respects, for approval and onward transmission to the Kerala Bank. The applicant establishment/beneficiary will get a notification by email/SMS once the application is approved by the Director, Department of Tourism.
  - The beneficiary employee should approach the concerned branch of Kerala Bank along with necessary documents in original including the KYC document mentioned in the application for availing the loan. It is important that only the KYC document as mentioned in the application should be produced at the bank.
  - In the case of personal loan on the basis of collateral security by the entrepreneur, the employer should approach the bank along with the employee.
  - Deficiencies, if any, would be communicated to the establishment/employee within a period of 5 days by the Deputy Director and the applicant should be given sufficient time to rectify the deficiencies.
  - Total loan amount under this scheme is limited to Rs.100 Crores and the applications will be considered on a first come first served basis.
  - Sanction of loan will be the sole discretion of the Kerala Bank.

## **5. Appeals**

Appeals, if any, shall be filed before the Director, Department of Tourism, Thiruvananthapuram, within a period of 15 days from the date of declining of the application by the Deputy Director, Department of Tourism. No appeal after this period will be entertained. The appeal shall be disposed off as early as possible within one month of receipt of the appeal after giving the appellant an opportunity of being heard, if necessary.

## **6. Recovery & Penalty**

a. Any assistance under this scheme shall be liable to be refunded by the employee concerned with interest @ 14% p.a from the date of receipt of the same, on account of obtaining the assistance by any misrepresentation, forgery or deception.

b. In case of default of repayment of the loan, the borrower will not be eligible for any interest subvention. The entire interest/penal interest will have to be borne by the borrower concerned.

**Kerala Bank-Tourism Loan scheme**  
**Application Form**

|   |  |  |
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|   |  |  |
| 1 | Name of the Establishment  |  |
| 2 | Address  |  |
| 3 | Telephone No   |  |
| 4 | Email ID   |  |
| 5 | Nature of Business   |  |
| 6 | Details of employees availing the loan facility <i>(A separate sheet can be attached)</i>  |  |
|   | Name & Address:  |  |
|   | Designation:   |  |
|   | Contact No   |  |
|   | Know Your Customer (KYC) document to be produced at the Bank preferably Aadhar. Any one of the following document will also be treated as KYC document viz. Passport, Driving License and Election ID Card. (Please note that only this KYC document will be accepted by the bank while approaching them for availing the loan). |  |
|   | Nature of employment (Permanent/Contract/Daily wage):  |  |
|   | Duration of service with the establishment:  |  |
|   | Amount of loan amount requested  |  |

- ***Documents to be produced by the beneficiary directly at the Bank is mentioned in the attached soft loan scheme proposed by the Kerala Bank***
- ***Documents as mentioned in the eligibility condition are to be uploaded in the portal along with the online application.***

I/We hereby certify that the above facts related to the beneficiary employees are true to the best of my/our knowledge. Further certify that the applicant employees are eligible for the loan under the scheme "Kerala Bank-Tourism Loan".

Place:  
Date:

Signature:  
Name:  
Designation:

**Certification by the Deputy Director, District Office,**  
**Department of Tourism, Government of Kerala**

I have verified the above application and supporting documents submitted by ..... (Name & address of the establishment), and certify that the applications are eligible to be considered for availing the loan.

Place:

Date:

Signature:

Name Seal of the Deputy Director