

Special Financial package

The details of special package of financial assistance offered by KSIDC, in view of the damages caused by floods, are presented below:

I. Short Term Loan (for units in flood affected Districts/ Villages):

- Short term loan up to Rs.300 lakhs (subject to a minimum of Rs.20 lakhs) will be provided at an attractive interest rate of 9% for procuring new assets, replacement of equipment, rectification of damages to capital assets etc.
- The following norms shall be made applicable to such cases:
 - Repayment shall be in three years, as 12 equal quarterly instalments, after an initial moratorium of six months.
 - Security shall be:
 1. Creation of first charge on asset, if it is newly acquired/created out of the loan; In addition, collateral security equivalent to 25 % of the loan disbursed shall be provided.
 2. In the cases of rectifying damage of assets charged to other institutions, collateral security equivalent to 100% of the loan disbursed shall be provided.
 3. Promoters shall personally guarantee the loan
- The interest rate (which will be on floating rate-basis as per normal practice followed) shall not be hiked in the case of increase in Bank Rate for a period of 2 years, i.e., till 30.9.2020(only downward revision will be effected during this period. Subsequent increases in Bank Rate during this period will result in corresponding increases in interest rates, however limited to a maximum of 9%).
- Rebate on prompt repayment will apply as per existing norms for the same, and as KSIDC may revise from time to time.
- Waiver of upfront fee and processing fee
- Priority to those promoted by SC/ST and women entrepreneurs.
- A unit/project including in tourism/healthcare sector, either in operation or under implementation, affected by flood, and against which no Revenue Recovery Proceedings of any nature is in the process as on the date of application for the loan shall be eligible for the above scheme.
- All other existing norms of KSIDC shall be applicable
- This scheme will be applicable for proposals received till 31st March 2019

II. Regular Term Loan (for units in flood affected Districts/ Villages):

- Interest rate shall be reduced by 1% from the applicable (floating) rate (subject to the rate not going below the current lowest interest rate, i.e., 9.75%) and this will be in force for a period of three years from the date of first disbursement of the loan.
- The interest rate shall not be hiked in the case of increase in Bank Rate for a period of 2 years, i.e., till 30.9.2020(only downward revision will be effected during this period. Subsequent increases in Bank Rate during this period will result in corresponding increases in interest rates, however limited to the interest rate as originally sanctioned).
- Waiver of upfront fee and processing fee.
- Rebate on prompt repayment will apply as per norms.
- All other existing norms of KSIDC shall be applicable
- This scheme will be applicable for proposals received till 30th September 2019.

III. Special Package of Support for all new proposals for Term Loans from across the State

- As a positive gesture of support for new projects and as a support for new industrial ventures in Kerala, for all new proposals for Term Loans from across the State, sanctioned from the present Board, the interest rate (floating) shall not be hiked till 30.09.2020.

For identifying flood affected districts/villages, GO(P) no.04/2018/DMD dated 29.8.2018 shall be the basis
