

KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

# FINANCE SCHEMES



“We partner in finance & beyond”





# ABOUT US

Since its evolution from humble beginnings in 1961 to being one of the most sought-after Development Financing Institution of the State Government, Kerala State Industrial Development Corporation Limited (KSIDC) has established and augmented a strong reputation for its in-depth understanding of the industrial scenario of the State.

The KSIDC Team endeavours to be the paramount lender for all business entities in the State at the time of its utmost needs. Broadly, the financial assistance starts from Rs. 100 Lakhs, and is limited to a maximum of Rs. 6,000 lakhs in a project. The core financial products offered by KSIDC are Term Loan, Equipment Purchase Loan, Corporate Loan, Working Capital Loan, Share Capital Assistance and Privilege Card.

In addition to the core financial products, KSIDC has also widened its gamut of financial services with an aim to reach out to the target fraternity in the MSME sector and start up / scale up segments as well. The special financial products offered by KSIDC are: Seed Funding and Scale Up Assistance, CM Special Assistance Scheme, Caravan Support Scheme, Bill Discounting Scheme, Contractor Loan scheme and WE funding

So far, KSIDC has promoted more than 1000 enterprises in the State with an investment outlay of approximately Rs. 12,000 crores and direct employment generation of around 1,00,000.

## CORE FINANCIAL PRODUCTS

### Term Loan

- For meeting long term requirement of funds for establishing, expansion, modernizing and plant modification requirements of the applicant.
- Financial Assistance of Rs. 100 Lakhs to Rs. 6,000 Lakhs
- Repayment period of 6 to 10 years, fixed depending on the cashflow
- Moratorium period of 1 to 2 years
- Interest rate of 8.50% to 10.50% (floating, based on internal credit rating mechanism)
- Additional 0.5% rebate on prompt repayment of financial assistance
- Security for the loan shall be exclusive/ pari passu charge over the assets of the unit financed

### Equipment Purchase Loan

- For meeting requirement of funds for purchase of plant & machinery / utilities / equipments of the existing/ new clients with good track record
- Financial Assistance of Rs. 200 Lakhs to Rs. 2,000 Lakhs
- Repayment period of 5 to 8 years, fixed depending on the cashflow
- Moratorium period of 6 months
- Financial assistance of up to 77.50% of the acquisition cost
- Interest rate of 8.50% to 10.50% (floating, based on internal credit rating mechanism)
- Additional 0.5% rebate on prompt repayment of financial assistance
- Security for the loan shall be as per the prevailing lending norms for both the existing and new clients

## CORE FINANCIAL PRODUCTS

### Corporate Loan

- For meeting requirement of funds of established Corporate groups for acquisition of assets / shares or and expansion / modernization / diversifications
- The group company shall be a reputed player in the sector
- Existing and new clients with good performance track record can avail the scheme
- Sanction is purely based on the strength of the balance sheet & profitability and volume & prospects of the existing business
- Financial Assistance of Rs.200 Lakhs to Rs. 4,000 Lakhs
- Repayment period of 5 to 8 years, fixed depending on the cashflow
- Moratorium period of 6 to 12 months
- Interest rate of 8.50 % to 10.50% (floating, based on internal credit rating mechanism)
- Additional 0.5% rebate on prompt repayment of financial assistance
- Security for the loan shall first charge on the existing fixed assets of the company, assets to be acquired, collateral etc. to cover at least 150% of the loan

### Working Capital Term Loan

- For meeting requirement of working capital funds of eligible entities with good track record
- Financial Assistance of Rs. 200 Lakhs to Rs. 2,500 Lakhs
- Repayment period of 5 to 8 years, fixed depending on the cashflow
- Moratorium period of 1 to 2 years
- Interest rate of 8.50% to 10.50% (floating, based on internal credit rating mechanism)
- Additional 0.5% rebate on prompt repayment of financial assistance
- Security shall be first charge over the existing fixed assets of the company exclusively or on a pari passu basis so as to provide security margin of 25% or 133.33% collateral security or a combination of two



## CORE FINANCIAL PRODUCTS



### Share Investment

- For meeting requirement of funds by way of share capital contribution, to public limited entities
- Equity Share Investment up to 26% in select cases
- Preference Share Investment up to 11% in select case. Dividend rate prescribed is the term lending rate.

### Privilege Card

- For meeting requirement of funds of the best of KSIDC assisted units having a minimum of 3 years of association
- The new loan up shall be 50% of the outstanding amount
- Loans shall be offered in the lowest rate in the interest band
- Should have good repayment track record with KSIDC and the accounts must be in standard category
- Has submitted the latest audited/provisional balance sheet.
- Processing fee shall be waived

The background of the slide is split diagonally from the top-left to the bottom-right. The upper-left portion is a solid teal color, while the lower-right portion is white. A close-up photograph of Indian coins is overlaid on the left side, spanning across the teal and white areas. The coins are in various orientations, showing details like the '₹' symbol and the word 'INDIA'.

## SPECIAL FINANCIAL PRODUCTS

### Seed Funding

- For meeting requirement of funds of innovative start-up ventures / potential start ups
- Loan assistance of up to 90% of initial project cost shall be provided
- Lending limits shall be Rs. 25 Lakhs
- Shall be treated as soft loan to the entity
- Soft loan to be repaid on demand within 3 years
- Interest rate of 6.50% (i.e., bank rate as on date of sanction)

### Scale Up Funding

- For meeting requirement of funds of those seed fund assisted start-ups of KSIDC that have successfully completed the product development and have introduced their product in the market, started commercial operations / generating revenues
- Further financial assistance of up to Rs. 1 Crore for scaling up their business activities, subject to a maximum of 80% of project cost
- Scale up support will be given as a soft loan for a period of 3 years
- Interest rate of 7.00%

## SPECIAL FINANCIAL PRODUCTS

### CM Special Assistance Scheme

- For meeting requirement of funds of MSMEs, Startups and NRKs for working capital & asset creation purposes
- Financial assistance shall be provided to all forms of new and existing entities
- Loan assistance of up to 80% of project cost shall be provided
- Lending limits shall be Rs. 1 Crore to Rs. 5 Crore
- Repayment period of 5 years & Moratorium period of 1 year
- Interest rate of 5.50 % (floating, after 3% interest subvention from Government). Additional 0.5% rebate on prompt repayment of financial assistance
- Security for the loan shall be exclusive/ pari passu charge over the assets of the unit financed or collateral security
- Age limit: 18 – 60 years

### Caravan Loan

- For meeting requirement of funds for purchasing of new caravans and / or setting up caravan parks
- Maximum finance from KSIDC per caravan is limited to 70 % of the cost of caravan. Promoters have to bring in the balance 30 %
- Financial Assistance of Rs. 25 Lakhs to Rs. 100 Lakhs per caravan, with the maximum lending limit being Rs. 500 Lakhs
- To Existing resorts/resort groups (firms, LLP and limited companies), Existing fleet owners/tour operators (firms, LLP and limited companies) and Returnee migrants
- Repayment period of 7 years
- Moratorium period of 12 months, extendable by another 6 months, from the date of first disbursement
- Interest rate of 8.50% (floating)
- Security for the loan shall be hypothecation of the caravan. In case of multiple vehicles financed, collateral security to cover 140% security shall be provided
- In case of funding for caravan parks, mortgage of caravan park exclusively to cover 140%



## SPECIAL FINANCIAL PRODUCTS

### Bill Discounting Loan

- For meeting requirement of funds for purchasing / discounting of bills arising out of genuine trade transactions made by clients with Government / PSUs
- To Corporate entity or partnership firm with minimum 3 years' experience related to civil, mechanical & engineering works and other business (excluding trading), duly supported by a certificate from authorized agencies such as PWD, KWA etc.
- Work advance and credit / loan together shall not exceed 80% of the value of the contract / purchase limited to Rs. 5 Crore at a time
- Financial Assistance of Rs. 200 Lakhs to Rs. 500 Lakhs
- Interest rate of 10.50% (floating)
- The loan will be secured by the personal guarantee of Partners / Directors, necessary agreement / POA with KSIDC, tripartite agreement between Company / firm, purchaser and KSIDC, and irrevocable power of attorney in favour of
- KSIDC to receive bill amount directly from the work issuing Department / Govt. Undertaking

### Contractor Loan

- For meeting requirement of funds by way of working capital term loan to eligible, established and creditworthy applicants in the State for execution of various works in connection with Government assigned contracts in the State
- To Company, LLP, Proprietorship concern or Partnership Firm
- Shall be provided a financial assistance of 60% of the cost of work awarded
- Financial Assistance of Rs. 50 Lakhs to Rs. 6,000 Lakhs
- Repayment period of 3 years
- Interest rate of 9.50% (floating)
- Security for the loan shall be unencumbered collateral security, irrevocable Bank Guarantee, and fixed deposit in nationalized / scheduled banks providing 133% of cover for the loan sanctioned

### WE Funding

- For meeting requirement of funds of existing women entrepreneurs in the manufacturing / service business using industrial machinery/equipment with average turnover of Rs. 10 lakhs and above, for scaling up through expansion, modernization and related diversification
- Assistance shall be given to proprietorship, partnership firms, limited liability partnerships, private limited companies etc. owned and managed by women
- Loan assistance of up to 80% of project cost shall be provided
- Lending limits shall be Rs. 50 Lakhs
- Interest rate of 5.50%
- Tenure of loan shall be limited to a maximum of 5-6 years, including a moratorium up to 6 months from the date of sanction of loan



# CLIENTS OF KSIDC







“One stop shop for all your business  
related funding,  
handholding & infrastructure  
requirements”

Head Office: Keston Road, Kowdiar, Thiruvananthapuram 03

Regional Office: 2nd Floor, Choice Towers, Manorama Jn, Kochi

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