Established in 1953
under the
State Financial Corporations
Act-1951
• To Act As Regional Development Bank
• To Accelerate Industrial Growth In Kerala
• To Provide Financial Assistance To MSMEs
• To Act as Nodal Agency for the Schemes Of Central/State Government
• To promote Entrepreneurship
• To promote Green field projects
• 60 Years of Development Banking
• Assisted Over 45,000 ventures
• Financed More than Rs.6000 Crore
• Has a portfolio size of more than Rs. 1800 crores.
**Assistance to Energy Saving Projects**

The Aim of the scheme is to reduce the energy consumption of existing SMEs by implementation/replacement of existing devices to energy efficient devices.

**Effective Rate of interest** - 6% p.a

**Processing Fee** - Nil

**Upper loan limit** - Rs.100 lakhs

**Repayment period** - 3 years

**Other conditions** - Approval of Energy Management Cell (EMC) required for the proposal

The scheme is also applicable to units, not financed by the Corporation.
LOANS FOR ......

Manufacturing Sector
Service Sector
Hospitality Sector
Entertainment Sector
Infrastructure Sector
Power Sector
Housing Projects/Construction Industry
Cinema/Serial Production
Theaters/ Multiplexes
SPECIAL SCHEMES

KERALA STATE ENTREPRENEURSHIP DEVELOPMENT MISSION (KSEDM)

- Flagship scheme of the Government of Kerala
- KFC is the nodal agency.
- Interest free financial assistance up to Rs. 20 lakhs to unemployed youth in the age group 18 to 40.
- Repayment period of five years
- One year moratorium.
- Aims to create 10,000 enterprises, 50,000 entrepreneurs, 1 lakh direct jobs and around 5 lakh indirect job opportunities in the next 5 years.
- Liberalised security norms.
INTEREST SUBVENTION SCHEME

> Interest subvention of 3% will be allowed by Government for loans less than Rs. 1 crore. 2% interest subvention will be allowed by Government for loans above Rs. 1 crore used for acquisition of plant and machinery.

> Units set up with new technology from research institutions or state of art/innovative technologies are eligible.
SCHEME FOR MODERNIZATION, EXPANSION, EXISTING HOTELS/RESORTS/HOSPITALS/INDUSTRIAL UNITS

Eligibility Criteria

- Should be in existence for at least 2 years.
- The financials of the unit are to be satisfactory.
- The unit should have commenced their operations at least two years prior to applying for loans under this scheme.
- In the case of current loanees of the Corporation the accounts shall be in standard category.
- Promoters Contribution 10%.
- Loan eligibility - 90% of total renovation/expansion cost subject to a limit of 50% of the value of existing assets.
- 50% of loan sanctioned can be given as advance subject to availability of ACR.
WORKING CAPITAL REVOLVING FUND LOAN SCHEME FOR UNITS IN MANUFACTURING & SERVICE SECTOR

* Loan eligibility - 75% of total Working Capital requirement

* Repayment - Renewal after one year from date of first disbursement (to be done in next 3 months) if not renewed outstanding amount to be repaid in 12 monthly installments.

* Gestation period - 12 + 3 months. If renewed, gestation period is extended by 12 months. Renewal can be done till total period does not exceed 60 months.

* Interest rate - 15.5% with 2% rebate and up to 1.5% reduction based on internal credit rating.
# MAXIMUM ASSISTANCE

<table>
<thead>
<tr>
<th>Corporation/Company /Co-operative Societies</th>
<th>For a Unit</th>
<th>For Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs. 20 Cr</td>
<td>Rs. 50 Cr</td>
</tr>
<tr>
<td>Proprietary/Partnership firms/Trusts/LLPs/</td>
<td>Rs. 8 Cr</td>
<td>Rs. 16 Cr</td>
</tr>
<tr>
<td>One person company /</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TYPES OF LOANS

- Term Loans
- Working Capital Revolving Fund Loans/Working Capital Term Loan
- Short Term Loans
- Special Working Capital Loans
- Contractor Loans
GENERAL SCHEME

- All new and existing units taking up Industrial Activities are eligible.
- Hotels/Hospitals/Vehicles/Tourism projects.
- Commercial complexes, godowns, Kalyana mandapams, convention centres.
- Solar, Renewable energy, wind energy
- Fisheries and aquaculture
- Coir products
- Purchase of Existing units
- Bank Loan Takeover

Promoters Contribution – 10% to 33.33%
Asset Coverage Ratio -
Micro, Small, Medium Entity – 1.4
Hotels/Hospitals/Service Sector Projects – 1.75
CRE projects - 2
RATE OF INTEREST

After interest rebate for prompt payment and interest reduction based on credit rating, the effective rate of interest will be as follows:

Manufacturing Sector : 11%
Hotels and service
Sector projects : 12%
Working capital loans : 12%
Hospitals : 11.5%
Construction Activities and
Housing projects : 13%
Energy Saving projects : 6%

Modernisation, upgradtion & expansion
Of existing cinema thetres/establishing : 13%
New multiplexes

For Credit Rating of ≥ 65% interest reduction of 0.5%
* Credit rating of ≥ 70% additional 0.5%
* For Credit Rating of ≥ 75% additional interest reduction of 0.5%
<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto Rs. 250 lakhs</td>
<td>Branch Level</td>
</tr>
<tr>
<td>Above Rs. 250 lakhs upto</td>
<td>Zonal Level</td>
</tr>
<tr>
<td>Rs. 500 lakhs</td>
<td></td>
</tr>
<tr>
<td>Above Rs. 500 lakhs and upto</td>
<td>Sanction Committee</td>
</tr>
<tr>
<td>Rs. 750 lakhs</td>
<td>headed by GM</td>
</tr>
<tr>
<td>Above Rs. 750 lakhs and upto</td>
<td>Sanction Committee</td>
</tr>
<tr>
<td>Rs. 1500 lakhs</td>
<td>headed by CMD</td>
</tr>
<tr>
<td>Above Rs. 1500 lakhs</td>
<td>Executive Committee</td>
</tr>
</tbody>
</table>
FEATURES

Interest Calculation - Diminishing basis

Processing Fees - 0.5% of loan sanctioned
(Maximum Rs. 5 lakhs)
(For CRE projects processing fee is 0.75% with a maximum of Rs. 7.50 lakhs)

Repayment Period - Up to 10 Years

Moratorium period - Up to 2 Years
Up to 3 years for Hotels, Hospitals and CRE projects
SPECIAL SCHEME FOR CONTRACTORS

> Contractor approved by State/Central Government
> Loan eligibility will be 75% of project cost.
> Upto 100% of the guaranter (Guarantee Commission 2% to 3.5%)
> Irrevocable power of attorney in favour of
  KFC to receive the bill amount directly from work issuing authority.
- 1/3rd of total loan can be disbursed as Advance

Repayment Period - 5 years (can be renewed after one year)
Gestation period - 2 years
Collateral Security - 150% for new customers
  - 100% for existing good customers of KFC under this scheme.
  - 125% for the Guarantee amount
WHY KFC

• Low Interest Rate
• Rebate for Prompt Repayment
• Longest Repayment Period (upto 10 years)
• Extended Moratorium (upto 2 years)
• No Hidden Charges
• Quick sanction of Loans
• Supports First Generation Entrepreneurs
Together We Grow

Thank You Grow...

KERALA FINANCIAL CORPORATION
Thiruvananthapuram
For more details visit our website www.kfc.org.