

D.O. Lr. No. KFC/CMD/ 2540 /2013-14 Dt.30.09.2013

Dear *Jose*,

Perhaps I do not need to introduce to you Kerala Financial Corporation (KFC) - an organization that has helped a large number of entrepreneurs and industrialists to set up new industrial units in Kerala. In recent times we had undertaken a review of our operations and decided to put our focus on nurturing entrepreneurship and in particular supporting startup ventures in the State. We have also decided to seek the support of all government and non-government organizations engaged in research and development, training for entrepreneurship and industrial promotion in Kerala in facilitating the setting up of new ventures.

I understand that your organization supports research and development activities as well as encourages entrepreneurs to set up new ventures using technologies developed or promoted by you. Quite often young entrepreneurs find it difficult to get financial assistance when they take up such projects. Many ideas and projects developed in your organizations thus do not get converted into socially useful and economically viable projects. KFC has taken a conscious decision to support such ventures. We have the full backing of the Govt. of Kerala which has announced two new schemes with KFC as Nodal Agency for implementation.

1. Kerala State Entrepreneur Development Mission (KSEDM): This is the scheme for young entrepreneurs between the ages of 18-40 with educational qualification of at least 10 + 2 level to set up new projects. The total loan under the scheme is limited to Rs.20 lakhs but it comes interest free to the entrepreneur for 5 years with an initial moratorium of one year. Many young entrepreneurs and units in incubators/startup village have already availed of the benefit of the scheme. The details can be seen from KFC's website under KSEDM.

2. Interest Subvention Scheme for ventures based on State-of the-art technologies or new technologies developed by Research Institutes and Commodity Boards: Under this scheme KFC will support new ventures of upto Rs.1.00 Crore at interest rates varying from 8-9% and projects above Rs.1.00 Crore and upto Rs.20.00 crores at interest rate of 9-10%. This is the lowest interest rate that any industrial project can get anywhere in the country.

While we would normally be taking the personal guarantee of the promoters/directors and the primary assets of the venture as security we will not be asking for any collateral security for loans of upto Rs.50 lakhs. For loans above Rs.50.00 lakhs we may take a decision regarding collateral security on the merits of the particular project. In all the above cases we would give priority to units which are using technologies developed or popularized by R&D organizations, Commodity Boards, Universities and other Institutions of Higher Learning. If any Government Departments or other organizations support such units with subsidies KFC could help the effective utilization of the subsidies by including it in the project economics and monitoring the progress of the project on a continuous basis.

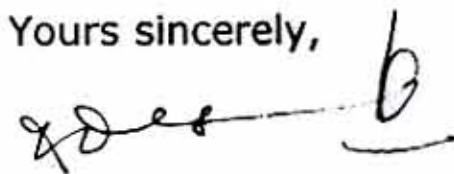
I would also like to assure you that the Corporation will provide a hassle free and customer friendly service to the entrepreneurs in implementing their projects. We also look forward to a long term mutually beneficial win-win relationship with your esteemed organization.

In case you need any further clarifications please do not hesitate to write to me. As soon as I receive a positive response from your end we could arrange a joint meeting to work out details of funding startup ventures in areas you would propose.

We have discussed all this and more in person.

Warm regards

Yours sincerely,



Sri. T.K. Jose IAS
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Coconut Development Board
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