

Scheme 16

Scale up incentive for startups

SUSTAINABLE INDUSTRY INCENTIVE SCHEME 2023

A. The Scheme

Innovative start-ups that have completed product development, started commercial operations/generating revenues or utilized the assistance received in the seed stage effectively and has also commenced repaying/closed the assistance sought or has received major recognition from renowned institutions/agencies /received external investor funding support etc. shall be considered for the Scale-up Support under the scheme. The financial assistance will be by way of loan up to Rs. 100 lakhs per venture *subject to a maximum of 80% of the Project cost*. The Scale-Up Support will be sanctioned as Soft Loan for a period of 4 years (including 6 months moratorium period) .The interest rate applicable will be 7.00%.

B. Eligibility of applicants

- Scale-Up soft loan applicant shall be a Private Limited company registered in Kerala.
- The applicant shall be registered with Start-up India/ Kerala Start-up Mission and shall be private limited company registered in the State of Kerala
- The applicant unit shall be operating in any one of the 22 priority sectors as notified by the GoK through its Industrial Policy 2023.
- The Applicant Start-up shall have an innovative product/ service and must have successfully developed the product development and started generating revenue
- The product of the unit shall be scalable and shall have a clear market space with sufficient revenue and cash flows. will be considered for scale-up support
- The Promoters of the Applicant Start-up shall have a CIBIL Score above 650.
- The Promoters of the Applicant Start-up shall furnish details as per the Know Your Customer (KYC)
- The Promoters of the Applicant Start-up shall submit a proper Business Plan.

C. Obligations of the Applicant

- Personal guarantee of the promoters towards security for the loan;
- Affidavit of all the promoters as per prescribed format, certified by Notary Public to be submitted at the time of acceptance of Scale up loan sanction.
- If financed by other banks, NOC from Bank(s) shall be obtained

SUSTAINABLE INDUSTRY INCENTIVE SCHEME 2023

D. Sanctioning authority

MM-KSIDC shall be the Sanctioning Authority for all applications

E. Mode of Release of Assistance

The following procedures will be adopted for the release of assistance sanctioned to a unit under this Scheme;

- i. Upon approval from the sanctioning authority, a sanction letter will be issued to the applicant.
- ii. Within 30 days of receipt of the sanction letter, the applicant is required to either sign an agreement with the Sanctioning Authority for facilitating for the disbursement of the assistance
- iii. In the case of units, which has successfully executed the agreement, and submitted documents as required for the disbursement of the loan, Sanctioning Authority shall forward such cases to Treasury for release of payments

F. Obligations of the applicant entrepreneurs and other General Guidelines

- The applicant shall submit the application, online through the web portal along with supporting documents.
- The applicant shall provide all required details and declare such information as to be true.
- The applicant shall provide the Bank Account details of the enterprise at the time of submission of application for transfer of the eligible approved incentives.
- The applicant shall provide clarifications or further details sought by the Recommending/ Sanctioning Authority.
- The applicant, if so required by the Recommending/ Sanctioning Authority, shall allow inspection or verification of any details mentioned in the application including plant and machinery and all other assets, by the Recommending/Sanctioning Authority or a Third Party authorised by the Recommending/Sanctioning Authority.
- The applicant shall produce originals of any important documents if so required by the Recommending/ Sanctioning authority for verification.
- The applicant shall execute requisite legal agreement

SUSTAINABLE INDUSTRY INCENTIVE SCHEME 2023

- The applicant shall operate the unit as stipulated in the agreement, failing which the assistance shall be resumed by restoring the provisions of Kerala Revenue Recovery Act.
- The unit shall commence the commercial operation within two years from the date of availing reimburse of the stamp duty and registration charges.

G. Recoveries and Penalties

Any assistance provided under this scheme to a unit is subject to refund by the unit in full with an annual interest rate of 14% from the date of receipt upon the issuance of a registered demand notice to the unit by the Recommending/Sanctioning authority on the following grounds;

- a) In cases of obtaining assistance through misrepresentation, forgery, deception etc.
- b) violating any of the conditions in the agreement executed
- c) Unauthorized subletting, subleasing, transfer, or sale of the unit, change of activity without the consent of Sanctioning Authority

The applicant is required to operate the unit for the specified period mentioned in the guidelines/agreement. Failure to comply with this condition will result in the resumption of assistance on a prorated basis, considering the period of the company's operation, along with an annual interest rate of 14%.

In case of default, any amounts owed to the Government under the provisions stated above shall be recoverable as if they are arrears of land revenue. The recovery process will be carried out in accordance with the provisions of the Kerala Revenue Recovery Act, 1968, and other relevant laws applicable to the Government, from time to time. However, the company will have to be provided with three opportunities to showcase in writing before such recovery measures are initiated.

H. General Guidelines

1. A unit can apply for assistance under this scheme only once.
2. The claims under this scheme will be entertained only during the currency of this Scheme and Budgetary allocations. The Government of Kerala may modify, amend or introduce a new scheme and if required completely withdraw the Scheme, either in part or in full, at any point of time.

I. Appeal & Dispute Resolution Mechanism

The assistance proposed in this scheme is envisaged as a fiscal incentive for the investment made in Kerala and to attract more investors. Any dispute arises, which cannot be resolved

SUSTAINABLE INDUSTRY INCENTIVE SCHEME 2023

at the level of Appellate Authority can only be questioned at courts having its jurisdiction at Thiruvananthapuram

J. Forms and Clarifications.

MD-KSIDC shall have the full authority to prepare the application forms, form of agreement and any other formats required for the proper implementation of the Scheme and to issue clarifications sub-rules, modify the check-list etc, if required.
