



Scheme for Asset Backed Assistance to Service Sector Entities

Service Sector Financing

Overview:

The scheme is designed to meet the credit needs of entities / projects creating fixed assets as part of the project / business or offering fixed assets as collateral. The offering typically caters to entities like Hotels, Hospitals, Logistic Companies etc. The entities primarily receive assistance in the form of Term Loan/ Revolving Term Loan / Line of Credit with a need based sum, generally not less than INR 50 Lakhs.

Scheme for Asset Backed Assistance to Service Sector Entities



Objective

- To meet the credit needs of entities / projects creating fixed assets as part of the project / business or offering fixed assets as collateral.

Indicative profile of such businesses

- Hotels, Hospitals, Logistic Companies etc.

Eligibility

- New / Existing Service Sector Entities

Forms of assistance

- Term Loan/ Revolving Term Loan / Line of Credit

Quantum of assistance

- Need based . Generally not less than `50 lakh.
- Maximum assistance is subject to caps not exceeding `50 crore for registered MSME units and `35 crore for other eligible service sector projects.

Eligible heads for financing

- Project assistance: for setting up new facilities or upgradation/expansion of existing facilities. Along with capex, assistance could also be provided for WC gap/ margin money for WC, intangibles and any other bonafide business expenditure.
- Exclusive equipment finance : exclusive assistance for equipment

- Non project assistance: Won capex assistance for WC gap/ margin money for WC, intangibles, and any other bonafide business expenditure.

Rate of Interest

- As per credit rating and linked to PLR.

Repayment Period

- Upto 12 years including moratorium for project based assistance.
- For non project assistance, upto 5 years including moratorium.
- For exclusive equipment financing, generally 3-6 years including moratorium.
- Repayment could be fixed installments or ballooned in line with the expected cash flow.
- For seasonal industries/ businesses, repayment could be suitably structured

Security

- The assistance shall be secured by assets acquired under the assistance and/ or other unencumbered assets of the borrower.
- Other acceptable collateral securities, as may be stipulated.

Upfront Fee

- Upto 2 %

For enquiries, please contact the nearest SIDBI office