



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act, 1951



ಸಂಖ್ಯೆ: ಕ.ರಾ.ಹ.ಸಂ./ಪ್ರ.ಕ./

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CIRCULAR No : 1009

**Sub: Assistance to godowns, warehouses, logistic projects
and cold storages - amendment to Lending Policy.**

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Considering the increasing exposure to godowns and warehouses, a status paper was placed before the Exexutive Committee on 19.02.2020. The Executive Committee deliberated on the subject in detail and approved to adopt the following guidelines:

(a)The land cost in these projects will have to be borne by promoters. The loan should be computed only on the investments on building and civil works. However, in case of interest subsidy scheme of SC/ST entrepreneurs, land cost could be considered for financing after careful evaluation of rent prevailing in the area and establishing viability with normal rate of interest.

(b)Collateral Security of minimum of 50% may be insisted. Where the land cost is not finaced, the value of land may be considered for security and the difference should be made good by way of collateral security. In case of projects where land is financed, collateral security of 50% may be obtained. The collateral security can also be by way of coverage under the Collateral Security Guarantee Scheme.

(c)In all projects it should be ensured that the rental income should be deposited in an ESCROW account and the repayment of loans should be ensured through the ESCROW mechanism.



(d) An upper sanction limit of Rs.150.00 crore is fixed for godowns, warehouses and logistic sectors.

(e) The godowns/warehouse projects where repayment is made out of rental income should be treated as CRE sector and the cases where the godowns are used for own captive purposes as a part of manufacturing unit where the repayment is made by sources other than rental income could be classified under service sector.

(f) The cold storage projects can be classified under Service Sector. For cold storage projects also the collateral security norms have been revised to 50% of the loan amount.

The contents of this circular shall be brought to the notice of all the concerned in your office/department.

Elmer Carr
MANAGING DIRECTOR

To :

All Departmental/Principal Officers/Section Heads
All Branch Offices/IA Cells
General Managers-at Head Office
Library
Executive Director-I }
Executive Director-II } for information.