

Policies governing Micro & Small Enterprises:-

Disposal of Applications:-

All loan applications for Small Enterprises upto a credit limit of ₹ 25,000/- to be disposed off within 2 weeks and those upto ₹ 5.00 lakh within 4 weeks provided the loan applications are complete in all respects and accompanied by a "Check list".

Composite Loan:-

A composite loan limit of ₹ 1.00 crore can be sanctioned to enable the entrepreneurs in Micro and Small Enterprises sector to avail of their working capital and term loan requirement through single window. To follow the regulatory guidelines from time to time with regard to limit for credit facilities to be sanctioned without prescribing any collateral security. (Present limit ₹ 10.00 lakh).

Collateral Free lending for Credit limits up to ₹ 100.00 lakh under SIDBI's Credit Guarantee Fund Trust (Scheme) for Micro and Small Enterprises (CGTMSE)

We are a member of SIDBI's Credit Guarantee Fund Trust scheme for Micro and Small Enterprises (CGTMSE). For loans sanctioned without collateral security/third party guarantee with limits upto ₹ 100.00 lakh, guarantee is available under CGTMSE. New and existing Micro and Small Enterprises engaged in manufacturing or service activity excluding 'Retail Trade' are eligible under the scheme. The credit facilities (fund based and non-fund based) extended to a single eligible borrower increased from ₹ 50.00 lakh to ₹ 100.00 lakh.

The guarantee fee as well as Service fee are to be borne by the borrower.

Applicable margin for SMEs:-

Item	Margin
Stock	20%
Book debt	25%
TL towards land and building	25%
TL towards purchase of plant & machinery (new), equipments, imported second hand reconditioned machinery	25%
TL towards purchase of plant & machinery (second hand)	50%
LC / Guarantee	10%

Interest rate structure:-

The bank shall link the rate of interest with a spread linked to BR or BPLR from time to time and based on rating of the accounts.

To facilitate growth under MSME Sector:-

As a measure of speedy and timely credit dispensation to SME Units, the Branch Managers of all cadres and our top executives are entrusted with adequate discretionary powers for sanction of loans under TMB – SME Credit.

The bank will actively participate in Government schemes like Credit Linked Capital Subsidy Scheme for Technology Upgradation of Micro, Small & Medium Enterprises (CLCSS), Credit Linked Capital Subsidy Scheme for Technology Upgradation Fund Scheme for Textile Units (CLCS TUFS), etc.

The directions / guideline issued by Reserve Bank of India and Govt. of India from time to time shall automatically form part of the policy.

Ministry of Small Scale Industries Notification:-

S.O.1722 (E) – In exercise of the powers conferred by sub-section (1) of 2006, herein referred to as the said Act, the Central Government specifies the following items, the cost of which shall be excluded while calculating the investment in plant and machinery in the case of the enterprises mentioned in Section 7(1)(a) of the said Act, namely: -

- a) Equipment such as tools, jigs, dyes, moulds and spare parts for maintenance and the cost of consumable stores.
- b) Installation of plant & machinery.
- c) Research and development equipment and pollution controlled equipment.
- d) Power generation set and extra transformer installed by the enterprise as per the regulations of the State Electricity Board.
- e) Bank charges and service charges paid to the National Small Industries Corporation or the State Small Industries Corporation.
- f) Procurement or installation of cables, wiring, bus bars, electrical control panels (not mounded on individual machines), oil circuit breakers or miniature circuit breakers which are necessarily to be used for providing electrical power to the plant and machinery or for safety measures.
- g) Gas producer's plants.
- h) Transportation charges (excluding sales tax or value added tax and excise duty) for indigenous machinery from the place of the manufacture to the site of the enterprise.
- i) Charges paid for technical know-how for erection of plant and machinery.
- j) Such storage tanks which store raw material and finished produces and are linked with the manufacturing process; and
- k) Firefighting equipment.

While calculating the investment in plant and machinery, the original price thereof, irrespective of whether the plant and machinery are new or second hand, shall be taken into account provided that in the case of imported machinery, the following shall be included in calculating the value, namely;

- a) Import duty(excluding miscellaneous expenses such as transportation from the port to the site of the factory, demurrage paid at the port);
- b) Shipping charges.
- c) Customs clearance charges.
- d) Sales tax or value added tax.