

SLBC approved Special Loan scheme to MSME Sector in Kerala

SCHEME	<p>Term Loans and working capital loans for setting up of new enterprises as well as development of existing MSME units by providing Term Loans.</p> <p>The loans are to be sanctioned in existing Mudra Loan Scheme.</p>
PURPOSE	<p>Need based term loan/OD limit/composite loan to eligible borrowers for acquiring capital assets and/or working capital/marketing related requirements.</p>
ELIGIBILITY	<ul style="list-style-type: none"> • The enterprises selected/applied for loan through Government of Kerala enterprises portal for undertaking non-farm income generating activity such as manufacturing, processing, trading or service sector. • The applicant should have obtained Udyog Aadhar number for which the Date of Commencement of operation should be after 01.04.2022
QUANTUM	<p>The loans are provided for income generating small business activity in manufacturing, processing, service sector or trading. The Project cost is decided based on business plan and the investment proposed.</p> <p>The loan is not for consumption/personal needs.</p>
Government Assistance	<p>Maximum of 5 % to make the net interest rate at 4%. The interest Subvention will be provided for the first five year loan period or the loan closure whichever is earlier. However the Banks may fix ROI in line with existing Mudra Loan Scheme.</p> <p>Interest Subvention is available only to new units for which the the Date of Commencement of Operation is after 01.04.2022 as Udyam Registration Certificate.</p>
MARGIN	<p>Margin/Promoters Contribution is as per the policy framework of the bank, based on overall guidelines of RBI in this regard.</p>

SECURITY	<u>Prime :</u> First charge on all assets created out of the loan extended to the borrower and the assets which are directly associated with the business/project for which credit has been extended. & CGTMSE/CGFMU Coverage for loan up to 10 Lakhs.
DISBURSEMENT	Disbursement Directly to the vendor account in case of Term Loans.
REPAYMENT PERIOD	To be repaid in suitable installments with suitable moratorium period as per cash flow of the business and the economic life of the assets created
RATE OF INTEREST	As applicable to Mudra Loan scheme
PROCESSING CHARGES	As applicable to Mudra Loan scheme
Remarks	<ol style="list-style-type: none"> 1. The loan applicant should not be defaulter in Banks 2. Banks can consider higher loan amount also to the parties however the amount of Interest Subvention is limited to Rs.10 lakhs. 3. Asset Created out of Bank finance to be insured. 4. Operational guidelines regarding claiming/credit of Interest Subvention will be intimated by Industries Department, Govt of Kerala 5. Borrower will have to pay installment and interest to the banks and claim refund from Industries Department, Govt of Kerala.

Other points

- Bank to take credit decision in the loan application within a reasonable time period. The loan sanction/rejection is to be communicated in writing and the status may be updated in the portal.
- Loans up to Rs.5 lakhs are to be sanctioned within 15days and above Rs.5 Lakhs to be sanctioned within 30 days after submitting all the required documents.
- All loans under “the Scheme” are to be routed through the website created and claiming of interest subsidy may be made online through the portal
- Udyam Registration Certificate is made mandatory.

- In all eligible cases loans to be sanctioned against Acknowledgement Certificate issued by the Government. Industries Department May arrange a training session for the LDMs to familiarize the KSWIFT Acknowledgment Certificate.
