

## MSE Lending Policy

The Bank is a member of Banking Code and Standards Board of India (BCSBI).

BCSBI has been established as an autonomous and independent body that would ensure that banks in India adhere to the Code which sets minimum standards for fair and transparent treatment of individual customers and Micro and Small Enterprises availing of banking services. Bank has voluntarily adopted the Code of Bank's Commitment to Micro and Small Enterprises.

In tune with the requirements of MSE Code, Bank has devised its MSE Lending Policy.

The salient features of the policy are:

Definition:

Category	Manufacturing Enterprise	Services Enterprise
	Investment in Plant & Machinery (excluding land & building)	Investment in equipment
Micro Enterprises	Upto Rs.25 lakh	Upto Rs.10 lakh
Small Enterprises	Above Rs.25 lakh & upto Rs.500 lakh.	Above Rs.10 lakh & upto Rs.200 lakh.

### MSE Policy Guidelines

Parameter	Standards
1. Borrower segments	<ul style="list-style-type: none"><li>• Individuals</li><li>• Proprietorship concerns</li><li>• <b>Registered</b> Partnerships firms</li><li>• Private limited companies</li></ul> <p>Engaged in manufacturing or production or processing or preservation of goods and those engaged in providing or rendering of services</p>
2. Purpose	<ol style="list-style-type: none"><li>1. Acquisition of Fixed Assets</li><li>2. Working Capital Requirements</li></ol>
3. Type of facility	For acquisition of Fixed Assets – Term Loans only For Working Capital – Cash Credit and/or Term Loan Non Funded facilities – L/c and BG
4. Tenor	Term Loans for acquisition of Fixed Assets – Min 12 months Max 60 months For Working Capital:- <ol style="list-style-type: none"><li>a. Cash Credit – On demand / Annual Review</li><li>b. Term Loan – On demand / Min 6 months Max 24 months</li></ol>
5. Ticket Size	Upto Maximum of Rs. 100 lacs

6. Prime Security	For acquisition of Fixed Assets – Asset being aquired For Working Capital – Entire Current Assets
7. Collateral security	Aggregate limits upto Rs.5 lacs : Will not be insisted upon. Aggregate limits over Rs.5 lacs : Depending on the applicants track record, financial position and Credit rating Aggregate limits over Rs.25 lacs: 100% collateral cover
8. Calculation of MPBF	1. For aquisition of Fixed Assets : Finance upto 75% of cost 2. For Working Capital: Max. 20% of sales subject to availability of Margin.
9. Interest Rate	Cash Credit :BPLR – 1.25% WCTL :BPLR – 1.50% Term Loans: BPLR – 1.75%
10. Processing Charges	Loans upto Rs.5 lacs : NIL Loans over Rs.5 lacs : 1% of loan applied including all documentation cost. Service charges as applicable will be added to processing fees.
11. Penal Interest	<u>Late/non-renewal of Cash Credit</u> @ 0.30 % per month on amount sanctioned <u>Late / non-payment of EMI on Term Loans</u> @ 3.00 % per month on the demand raised and unpaid (overdue) <u>Forced overdrawing on Cash Credit</u> @ 3.00 per month on the amount overdrawn and unpaid
12. Prepayment	For prepayment amounts upto Rs.5 lacs: Nil Prepayment over Rs.5 lacs: 2 % of the prepaid amount. (not applicable in case bank recalls the advance)
13. Banking Relationship	Applicant should be banking with us for at least 3 <b>Months</b> Post disbursement applicant to solely bank with us. Applicants name should not appear in RBI/ECGC or Banks defaulters list Applicants previous credit history should be satisfactory.
14. Guarantors	Partners / promoter directors / Collateral Security Owners Upto 2 third party guarantors as the discretion of the bank.

<p>15. Time Norms for disposal of loan application</p>	<p>Loans upto Rs.5 lacs : 2 weeks.  Loans over Rs.5 lacs : 3 weeks.  Loans over Rs.25 lacs: 4 weeks  Provided loan applications are complete in all respects. TAT will be calculated from date of last document/information submitted.</p> <p>All applications will be received under acknowledgement mentioning date and time of submission.</p> <p>All limits will be disbursed within 2 working days from the date of compliance of all the terms and conditions governing the sanction.</p>
<p>16. Treatment of sick units.</p>	<p>On request being received from the applicant:-</p> <ol style="list-style-type: none"> <li>1. We will study viability of the unit and consider all cases of financial difficulties sympathetically</li> <li>2. If viable we will work out correct action for revival of the unit</li> <li>3. We will also work out a rehabilitation package in accordance with RBI stipulations and implement the same within maximum period of 60 days. The plan will include credit counseling, nursing / debt restructuring etc. as and if required.</li> <li>4. If unit is found non viable, we will inform and counsel on alternative options</li> </ol>