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Launch of New Loan Product – “IND MSME SAKHI”

Micro, Small & Medium Enterprises are popularly known as the growth engines of Indian Economy due to its significant contribution towards GDP, Manufacturing output, Export and creation employment to large section of society.

Women entrepreneurs accounts for nearly 20 % of total MSMEs. Most of women entrepreneurs have setup their small business with the help of microcredit availed under SHG model.

In order to expand their business and graduate them to Entrepreneurs, additional funding is essential. GOI/RBI has given thrust on extending credit facility to individual members of SHGs depending on requirement.

In view of good business opportunity, a new product is being launched with key features as under:

Key features of the Scheme:

Parameters	Norms
Target Group	<ul style="list-style-type: none"> • Members of Self Help Group with satisfactory repayment track record of 2 years. • Availed two rounds of finance from SHG; first loan fully repaid; second loan may be running.
Interest Rate	Repo*+ Spread (3.60%) =9.85% presently *Repo@6.25%
Processing Charges	Nil
Margin	10%
Repayment Terms	60 Months (Door to Door tenor)
Loan amount ranging	Rs 0.10 Lakh to Rs 4.00 Lakh

The detailed Scheme guidelines of the product are enclosed as Annexure.

All Field functionaries are advised to make use of scheme and garner fresh business under the product.

(Shyam Shankar)
Deputy General Manager (MSME)
 Encl: Scheme guidelines (Annexure)

IND MSME SAKHI
Annexure I

Particulars	Guidelines
1. Target Group	Individual Members of SHGs
2. Eligibility	<ul style="list-style-type: none"> ❖ Members of Self Help Group with satisfactory repayment track record of 2 years. ❖ Availed two rounds of finance from SHG; first loan fully repaid; second loan may be running.
3. Borrower' Age	<ul style="list-style-type: none"> • Minimum: 18 Years • Maximum : 65 Years at Loan Maturity.
4. Purpose	For setting up of Manufacturing/ Trading / Service units.
5. Types of Facility	Term loan.
6. Loan Amount	Minimum: Above Rs 0.10 Lakhs Maximum : Rs 4.00 Lakhs
7. Margin (Promoter's contribution)	10%
8. Type of Assessment	As per extant guidelines.
9. Security	<ul style="list-style-type: none"> • Hypothecation of Assets Created out of the loan. • Account to be covered under CGTMSE scheme
10. Repayment terms	Maximum : 60 Months (Including Moratorium if any)
11. Rate of Interest	Repo*+ Spread (3.60%) =9.85% presently *Repo@6.25%
12. Processing & other charges	Nil processing Charges
13. Others	<ul style="list-style-type: none"> • Proper due diligence to be carried out. • CGTMSE fee to be borne by the borrower. • End-use of funds to be ensured. • Units visit should be made & working of the unit to be recorded. • Proper care should be taken at pre sanction and post sanction stages. • All guidelines as per credit policy to be complied. • Asset created out of bank loan should be adequately insured with bank clause – Premium to be borne by the borrower. • Obtaining Administrative clearance for loans above Rs 1.00 Lakh from Zonal Office is exempted for this product.
14. Product Codes	<ul style="list-style-type: none"> • 8253-0001 (MSME-MGF-SAKHI-REPO) • 8253-0002 (MSME SRV-SAKHI-REPO)