

**FREQUENTLY ASKED QUESTIONS (FAQs)**  
**ON BANK CREDIT FACILITATION SCHEME FOR**  
**MSME LOANS**

<b>1.</b>	<b>Question</b>	<b>What is Bank Credit Facilitation Scheme?</b>
	<b>Answer</b>	To meet the credit requirements of MSME units, NSIC executes Memorandum of Understanding (MoUs) with Nationalized and Private Sector Banks. Through syndication with these banks, NSIC arranges for credit support (fund or non fund based limits) from banks.
<b>2.</b>	<b>Question</b>	<b>What are the Salient features of Bank Credit Facilitation Scheme?</b>
	<b>Answer</b>	<ul style="list-style-type: none"> <li>a) Facilitates credit to MSMEs by having an integrated mix of various public and private sector banks.</li> <li>b) Provides an option for MSMEs to apply for a new bank or switch over of an account to a different bank.</li> <li>c) Helps the MSMEs in completing documentation and thereafter submitting it to the bank.</li> <li>d) To facilitate larger number of MSMEs who are desirous of availing credit.</li> <li>e) To provide handholding support to MSMEs</li> </ul>
<b>3.</b>	<b>Question</b>	<b>How MSME loans can be availed under Bank Credit Facilitation Scheme ?</b>
	<b>Answer</b>	The MSME Unit can approach directly to any of our branch offices and submit their request for loan requirement from any of the banks under our tie up agreement. The branch official will provide hand holding support to the MSME unit by assisting them in completing all documentation as required for further submission to the bank.
<b>4.</b>	<b>Question</b>	<b>What are these Documents?</b>
	<b>Answer</b>	The documents are to be provided by the MSME unit based on the checklist of the particular banks.
<b>5.</b>	<b>Question</b>	<b>Is there any cost for applying in this scheme?</b>
	<b>Answer</b>	No fee is charged from the MSME unit for applying for loan under this scheme.
<b>6.</b>	<b>Question:</b>	<b>How does this Bank Credit Facilitation Scheme help MSME ?</b>
	<b>Answer :</b>	Under Bank Credit Facilitation Scheme ,the MSME(s) can get access to finance from banks based upon their lending policy and a focused attention is given to the credit proposals forwarded by NSIC.
<b>7.</b>	<b>Question:</b>	<b>Which are the lending institutions eligible for extending loans under the scheme ?</b>
	<b>Answer :</b>	The Banks/FI(s) which have entered into Memorandum of Understanding (MOU) with NSIC are the lending institutions under scheme.
<b>8</b>	<b>Question:</b>	<b>What are the types of loan facilities available in Bank for Micro, Small and Medium Enterprises?</b>
	<b>Answer :</b>	<p>Term loans for acquisition of fixed assets (viz, land/building, plant/machinery, other fixed assets) towards setting up of new units and for expansion, modernization and diversification in case of existing units.</p> <p>Working Capital limits to meet the working capital needs of the MSME units in the form of open cash credit, overdraft against book debts and bill discounting facility.</p> <p>Non fund based limits such as guarantees, letter of credit, foreign bank guarantees, foreign letter of credit etc.</p>

9.	<b>Question:</b>	<b>Whether KYC compliance is mandatory for availing loans under MSME?</b>
	<b>Answer:</b>	Yes, the loan applicants should open an operative account (Savings /Current Bank Account) which is KYC compliant with proper introduction, address proof, ID proof and photo etc; as stipulated by the bank.
10.	<b>Question:</b>	<b>What are the documents to be submitted for availing loans under MSME?</b>
	<b>Answer:</b>	<p>The documents to be submitted vary based on the purpose of the loan. The general documents as required are:-</p> <ul style="list-style-type: none"> <li>(i) Proof of Identity</li> <li>(ii) Proof of Residence</li> <li>(iii) Proof of Business address</li> <li>(iv) Asset and Liability Statement of promoters, guarantors, directors etc. with latest income tax returns.</li> <li>(v) Rent Agreement / Lease Deed if business premises rented/leased.</li> <li>(vi) Copy of Udyam Registration</li> <li>(vii) Profile of the Unit (Name and address of promoters, experience, nature of activity, address of all offices/plants, share holding pattern etc.)</li> <li>(viii) Last three year's Balance Sheet with IT returns</li> <li>(ix) Projected Balance Sheet for next two years</li> <li>(x) Application in the prescribed format</li> <li>(xi) CMA data in the prescribed format if limit required is Rs. 100 lakh and above.</li> <li>(xii) Position of accounts with existing bankers</li> <li>(xiii) Project Report for term loan requirements</li> <li>(xiv) Estimates/Quotations/Sanctioned building plan etc.</li> <li>(xv) Partnership Deed/Trust Deed/Rules &amp; Bye laws/Memorandum and Articles of Association /Certificate of Incorporation etc.</li> <li>(xvi) Clearance from Pollution Control Board/Sanction from Electricity Board and other statutory authorities.</li> <li>(xvii) Month-wise production and sales data for the current financial year, value of stock in process, finished goods, debtors, creditors etc.</li> </ul>

<b>11.</b>	<b>Question:</b>	<b>What are the margin norms for loans under MSME?</b>
	<b>Answer:</b>	Varies from bank to bank
<b>12.</b>	<b>Question:</b>	<b>What is the interest rate of MSME loans.</b>
	<b>Answer:</b>	Varies from bank to bank
<b>13.</b>	<b>Question:</b>	<b>What are the processing charges payable for MSME loans?</b>
	<b>Answer:</b>	Varies from bank to bank
<b>14.</b>	<b>Question:</b>	<b>What are the security norms for MSME loans?</b>
	<b>Answer:</b>	Varies from bank to bank