

केंद्रीय कार्यालय

Central Office

## MSME &amp; OTHER CREDIT DEPARTMENT

Master Circular No. : 3976	Date : 18.04.2024
File No. : 105	Department Running No. : 322
Product Code	Cash Credit : 6140-1078 Term Loan : 6240-1483

## ALL BRANCHES &amp; OFFICES

**CENT SUGAM - IME**  
**(Lending to Informal Micro Enterprises)**

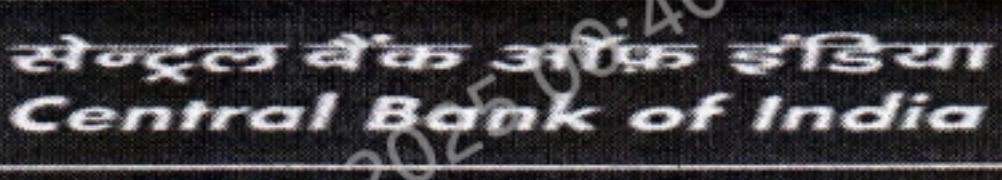
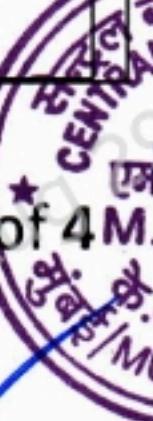
**“CENT SUGAM – IME (Lending to Informal Micro Enterprises)”** a scheme designed with customer friendly features, without collateral security requirement to facilitate affordable credit flow to Informal Micro Enterprises, which are exempted from GST regime.

The product features are as under-

S.N.	Parameter	Criteria				
1	Scheme title	<b>Cent SUGAM – IME (Lending to Informal Micro Enterprises)</b>				
2	Eligibility	Applicable to Informal Micro Enterprises (IMEs) which are exempted from GST regime and are registered on Udyam Assist Platform (UAP).  All types borrowers i.e. Individual, Proprietorship/ Partnership firms /Companies engaged in Manufacturing , Service sector including small shop owners for Composite (TL and OD) requirement (except HUFs, Trusts).  <b>For Individuals:</b> Minimum Age – 18 Years Maximum Age – 60 Years				
3	Activity	Any lawful trading/ servicing/manufacturing/ processing activity, excluding speculative activity and Real Estate, to meet their Composite (TL and OD) requirement.				
4	Udyam Registration Certificate	Mandatory.				
5	Quantum of finance	Minimum – Rs.1.00 lakh Maximum – Rs.20.00 lakh				
6	Nature of facility	Cash Credit and Term Loan				
7	Repayment	1. Cash Credit - One year, subject to annual review. 2. Term Loan – 84 months (excluding moratorium)				
8	Moratorium	06 months				
9	Interest Rate	RBLR + 0.95% p.a.  In case of Term Loan, Tenor premium will be applicable-  <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Term Period</td> <td style="padding: 5px;">Tenor Premium</td> </tr> <tr> <td style="padding: 5px;">For loans up to 3 years</td> <td style="padding: 5px;">NIL</td> </tr> </table>	Term Period	Tenor Premium	For loans up to 3 years	NIL
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		For loans > 3 years and up to 5 years For loans > 5 years and above No concession in ROI allowed.	0.20 % 0.30 %
10	Processing charges (Working Capital)	0.25% + GST (Annually) – For Fresh & Renewal.	
	Upfront Fees (Term Loan)	0.625% + GST	
	Other Charges	Document Charges, CIC Charges, CERSAI charges, as per Service Charges Circular.	
11	Classification	Loans sanctioned under this scheme shall be classified under Priority Sector – MSME (Micro) advances.	
12	Documents to be obtained	<p>Following documents to be obtained for assessment-</p> <ol style="list-style-type: none"> <li>1) For loans less than Rs. 2 lakh, branches can take bank statement of account of borrower along with manual projections, which Branch Manager has to accept before deciding the sanction of limits.</li> <li>2) In case of existing units, last two years / available unaudited balance sheet and P&amp;L statements along with income tax (Applicable for existing cases from Rs.2 Lakh and above).</li> <li>3) Projected balance sheets of start-ups / existing units up to one year in case of working capital limits and for the period of the loan in case of term loan.(Applicable for loans of Rs.2 Lakh and above).</li> <li>4) Sales achieved during the current financial year up to the date of submission of application. (Applicable for in case of existing units from Rs.2 Lakh and above).</li> </ol>	
13	Insurance	Insurance of the Primary Security to be ensured for full value within 1 month.	
14	Mode of assessment	<p><b>For Working Capital-</b> As per Turnover Method.</p> <p><b>For Term Loan -</b> Based on Average DSCR – 1.25 (Margin – 20%)</p>	
15	Enhancement of sanction	Enhancement of CC limit may be considered only after completion of one year of sanction, based on the increase in sales turnover matching with credit summation of the account.	
16	Security	<p><b>For Working Capital-</b> Hypothecation of Stock / receivables.</p> <p><b>For Term Loan –</b> Hypothecation of Assets created out of Bank Finance. The Total Limit shall be mandatorily covered under CGTMSE. The guarantee fee to be borne by the borrower.</p>	
17	Ratios	<p>Current Ratio : 1.10 Debt Equity ratio : 3:1 DSCR : 1.25</p>	

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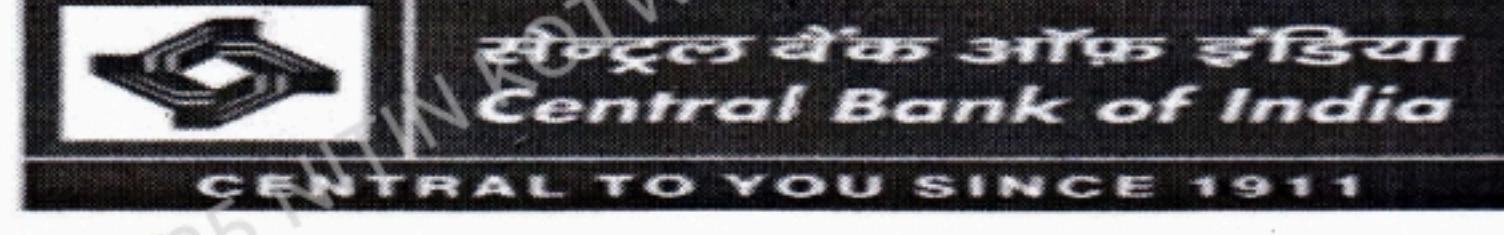


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18	Change of existing product	Not allowed.
19	Inspection	Pre sanction inspection & Half-yearly inspection of the unit is mandatory so as to ascertain the functioning of unit. Inspection Charges: NIL.
20	Due Diligence	<p>Due diligence of the borrower:</p> <ul style="list-style-type: none"> <li>- Getting information about the profession, friends/relatives etc., of the borrower in a systematic way and it should be recorded in the file for future reference along with the contact details particularly in respect of new connections.</li> <li>- Pre-inspection of residence, business, offices with an element of surprise.</li> <li>- For Loan above Rs.10 lakh, external due diligence is required.</li> </ul> <p>Instructions of Credit Monitoring department on due diligence should be complied with.</p>
21	CIC Score	<p><b>CIC Score/Rank:</b>            CIC score the individual borrowers/ directors/ partners/ proprietor / etc. shall have CIC score above threshold score i.e. Minimum 700 at present.            The guidelines issued by Credit Monitoring department from time to time on CIC scores shall be applicable.            The cases with NIL credit history i.e. -1 are eligible for finance.</p>
22	CMR Rank	There is no minimum threshold of CMR. However, branches have to generate CMR report and if there are any observations / overdue etc. the same should be justified/addressed in the Process Note.
23	Sanctioning Authority	As per extant guidelines of Master Credit Policy.
24	Concessions	No further concessions allowed.
25	Documentation	<ol style="list-style-type: none"> <li>1) D P Note</li> <li>2) Letter of Continuity</li> <li>3) Letter of Waiver</li> <li>4) Agreement/Hypothecation for Cash Credit/ primary security.</li> <li>5) Term Loan Agreement.</li> </ol>
26	Credit rating	All the proposals shall be rated manually using MSME Scoring model. Hurdle score to be eligible for sanction is CBI VI.
27	Variation in Scheme	Not permitted.
28	Others	<ol style="list-style-type: none"> <li>a. The borrower should deal with our Bank exclusively and route entire transactions through their account with us. The borrower should furnish an undertaking to this effect.</li> <li>b. KYC norms to be strictly followed.</li> <li>c. In case of Company Registration of charges with MCA to be done.</li> </ol>

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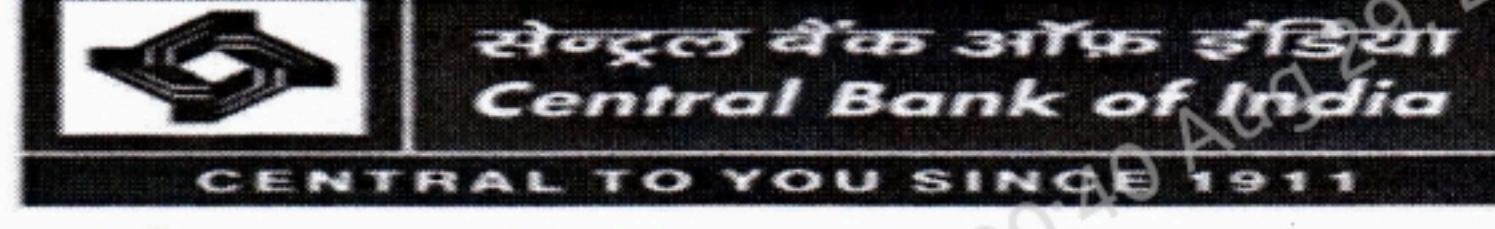
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MCA to be done.

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- d. CERSAI registration should be done.
- e. Current account, if any, maintained with other Bank shall be closed before disbursement.
- f. Borrower should exclusively deal with our Bank. Any other Working Capital facility with other bank / FI should be closed before disbursement.

29 Segment codes

As per new definition of MSME:

Category	Manufacturing	Servicing / Trading
Micro	502	603

All field functionaries are advised to popularize this scheme and mobilize maximum loans.

(S.K. GUPTA)  
**GENERAL MANAGER (ALTERNATE)**  
**MSME & OTHER CREDIT DEPARTMENT**

