

# SUN NATIONAL BANK

Business Loan Product Guide

## BUSINESS LOAN

**Fuel Your Business Growth - MSME & SME Financing**

### PRODUCT OVERVIEW

Sun National Bank Business Loan is designed for Micro, Small & Medium Enterprises (MSMEs) to meet working capital needs, expansion, equipment purchase, or any business requirement. We support entrepreneurs with flexible financing options including MUDRA loans, term loans, and working capital facilities.

Feature	MUDRA Loan	SME Term Loan	Working Capital
Loan Amount	Rs. 10,000 - Rs. 10 lakhs (Shishu/Kishore/Tarun)	Rs. 10 lakhs - Rs. 50 crores	Rs. 5 lakhs - Rs. 25 crores
Interest Rate	7.50% - 10.00% p.a.	10.00% - 14.00% p.a.	11.00% - 15.00% p.a.
Tenure	Up to 7 years	Up to 10 years	12 months (renewable)
Collateral	Not required (up to Rs. 10 lakhs)	Required above Rs. 25 lakhs	Required above Rs. 50 lakhs
Processing Fee	0.50% - 1% + GST	1.5% - 2% + GST	1% + GST

### TYPES OF BUSINESS LOANS

- 1. MUDRA Loans:** Government scheme for micro enterprises. Shishu (up to Rs. 50,000), Kishore (Rs. 50,001 to Rs. 5 lakhs), Tarun (Rs. 5,00,001 to Rs. 10 lakhs).
- 2. Term Loans:** For capital expenditure - machinery, equipment, factory setup, expansion. Fixed tenure with monthly/quarterly EMI.
- 3. Working Capital Loan:** For day-to-day operations - raw material, salaries, rent. Overdraft or cash credit limit facility.
- 4. Invoice Financing:** Get instant funds against pending invoices/bills. Up to 80% of invoice value. Interest only on utilized amount.
- 5. Equipment Financing:** Finance machinery, vehicles, computers, tools. Equipment acts as collateral. Up to 90% funding.
- 6. Business Overdraft:** Withdraw funds as needed up to sanctioned limit. Interest only on utilized amount, not entire limit.

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### ELIGIBILITY CRITERIA

Criteria	Requirement
Business Type	Proprietorship, Partnership, Private Limited, LLP, Co-operatives
Business Vintage	Minimum 2 years (3 years for loans above Rs. 50 lakhs)
Turnover	MUDRA: No minimum SME: Minimum Rs. 10 lakhs p.a. Large: As per requirement
Age	Proprietor/Partner: 21-65 years
GST Registration	Mandatory for turnover > Rs. 40 lakhs or as per GST Act
ITR Filing	Last 2 years ITR mandatory (3 years for large loans)
CIBIL Score	Minimum 650 (business & personal) 700+ for best rates
Profitability	Business should be profitable for at least last 1 year

### DOCUMENTS REQUIRED

- KYC:** Aadhaar, PAN of all partners/directors (mandatory)
- Business Proof:** GST registration, Shop/Establishment license, MSME/Udyog Aadhaar certificate
- Financial Documents:** Last 2-3 years ITR with computation, audited financials (P&L;, Balance Sheet)
- Bank Statements:** Last 12 months current account statement showing business transactions
- Business Profile:** Company profile, list of clients, purchase orders, ongoing contracts
- Ownership Proof:** Office/factory ownership documents or rent agreement with NOC
- Projected Financials:** For new expansion - detailed project report, estimated cost
- Collateral Documents:** Property papers, valuation report (if offering collateral)
- Existing Loans:** Sanction letters and statements of existing business loans

### FEES & CHARGES

Charge Type	Amount
Processing Fee	0.50% - 2% of loan amount + GST (based on loan type)
Prepayment Charges	2% - 4% + GST (if prepaid before 12 months) Nil after 12 months
Late Payment	2% - 3% per month on overdue amount
Penal Interest	Additional 2% p.a. on default amount
Document Charges	Rs. 500 - Rs. 2,000 + GST
Legal/Technical Charges	As per actuals (Rs. 2,000 - Rs. 10,000)

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Inspection Charges	Rs. 1,000 per inspection for project loans
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## FREQUENTLY ASKED QUESTIONS

### **Q1: What is MUDRA loan?**

MUDRA (Micro Units Development & Refinance Agency) is government scheme for micro enterprises up to Rs. 10 lakhs without collateral.

### **Q2: Can startups apply for business loan?**

Yes, but minimum 2 years business vintage required. For fresh startups, explore government schemes like Startup India or PMEGP.

### **Q3: Is GST registration mandatory?**

Yes, if your turnover exceeds Rs. 40 lakhs or as per GST Act. For smaller businesses under MUDRA, may not be mandatory.

### **Q4: What is working capital loan?**

It's a credit facility for day-to-day operations. You get a limit and can withdraw as needed. Interest charged only on utilized amount.

### **Q5: Can I get loan for business losses?**

No, loan is for growth and expansion. Business should show profitability. Loss-making businesses are high risk and generally not financed.

#### **FOR BUSINESS LOAN ASSISTANCE**

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