

Punjab & Sind Bank
Policy on
MSME Credit
2021-22

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PREAMBLE

The MSME Policy is a document mentioning therein the Bank's role & approach for meeting the need of the MSME clients. Lending to MSMEs, being an integral part of MSME Act and Priority Sector lending guidelines of RBI, has been detailed out in the policy document.

This policy document has been formulated to have a standardized approach towards the MSMEs and be a reference document for the field functionaries and also all dealing with MSME matters.

1. POLICY OVERVIEW

Micro, Small and Medium Enterprises (MSMEs) are amongst the strongest drivers of economic development, innovation and employment. The MSME sector also contributes in a significant way to the growth of the Indian economy with a vast network of about 63.38 million enterprises. The sector contributes about 45% to manufacturing output, more than 40% of exports, over 28% of the GDP while creating employment for about 111 million people, which in terms of volume stands next to agricultural sector. The MSME sector in India is exceedingly heterogeneous in terms of size of the enterprises and variety of products and services, and levels of technology employed. However, the sector has the potential to grow at a faster pace. To provide impetus to the manufacturing sector, the recent National Manufacturing Policy envisaged raising the share of manufacturing sector in GDP from 16% at present to 25% by the end of 2022.

In order to enable identification and facilitate development of MSMEs, Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The MSMED Act, 2006, was enacted to provide enabling policy environment for promotion and development of the sector by way of defining MSMEs, putting in place a framework for developing and enhancing competitiveness of the MSME enterprises, ensuring flow of credit to the sector and paving the way for preference in Government procurement to products and services of the MSEs, address the issue of delayed payments, etc. However, in the changed circumstances, it is imperative that the thrust of this important legislation should be focused more on market facilitation and promoting ease of doing business for MSMEs.

The contribution of the sector in the economy is currently constrained due to several challenges affecting growth of the sector. Some of the major ones are mentioned below:

- Policy and institutional interventions.
- Accelerating growth and enabling formalization.
- Addressing infrastructural bottlenecks.
- Facilitating capacity building.
- Facilitating access to credit and risk capital.
- Technological interventions for improving underwriting standards and delivery.
- Enabling market linkage and tie-up with public procurement platforms.

Combinations of Digital Public Infrastructure, progressive regulation and new market forces have the potential to energize the MSME Lending Sector. Emergence of a digital lending value chain will provide fast turnaround and easy accessibility for MSME borrowers and use new data and credit scoring algorithms to provide new types of risk-adjusted lending products. This infrastructure can operate at a scale, break access barriers, and provide MSMEs with the ability to access finance and scale to reach their potential.

Further towards bringing in reforms amongst the Public Sector Banks (PSB), the Govt. of India mandated Bank for adoption of “Reforms Agenda” (EASE). The Reforms Agenda is aimed at “Enhanced Access & Service Excellence –EASE” which is broadly based on six themes. One of these themes is dedicated to MSMEs interalia covering “EASE of Financing for MSMEs”. It is imperative that all Branches/ Offices/Business units of the bank work in synchronization to ensure that all needs of MSMEs in line with EASE Agenda are fulfilled in timely manner.

1.1 Background

Bank has, therefore, designed a separate document - MSME Policy - to have a standardized approach towards the MSMEs and have a reference material to one and all dealing with MSME matters.

The MSME Policy is a formal policy document mentioning therein the Bank’s role & approach for meeting the need of the MSME clients. Lending to MSMEs being an integral part of MSME Act and priority sector lending guidelines of RBI is also discussed in the policy, wherever applicable.

1.2 OBJECTIVES: -

The MSME Policy is based on the following principles:

- 1.2.1. Enlarging the MSME client base through aggressive credit marketing.
- 1.2.2. Addressing the credit needs of the existing MSME clients for judicious and prompt credit decision.
- 1.2.3. Bank’s approach towards credit appraisal skills and strategies on the one hand and flexibility and innovation on the other hand.
- 1.2.4. To ensure that the socio-economic obligations of the Bank are fully met.
- 1.2.5. To ensure continuous growth of loan assets while keeping those assets performing and standard.

- 1.2.6. To have a comprehensive Management Information System based on a reliable data base and endeavors to mitigate and reduce risk associated with the lending by fine tuning systems and controls.
- 1.2.7. Ensuring compliance of all the directives, guidelines issued by Government/Reserve Bank of India and other regulatory authorities on MSME credit matters. The Bank would follow the guidelines in all aspects issued from time to time by the authorities. HO Priority Sector Department to communicate MSME related schemes/guidelines of Government Authorities issued from time to time for growth of MSME credit portfolio. In case of varying interpretations of these guidelines, the Bank will adopt reasonable interpretation as determined by HO Priority Sector Department without deviating from the spirit behind the guidelines.
- 1.2.8. One of the basic objectives of issuing this Policy is to create awareness among the Branch level functionaries regarding needs of the sector and guidelines issued thereof.

1.3 SCOPE

- 1.3.1. The Policy would deal with all MSME credit related matters such as fund based, non-fund based and other forms of credit dispensation of MSME credit.
- 1.3.2. The Policy will cover all types of MSME customers such as Individuals, Proprietorship, Partnerships, Limited Liability Partnership, Association of persons, companies registered under Indian Companies Act, SHG, JLG, Co-operative Society etc.
- 1.3.3. This policy has been made in compliance with all RBI & extant regulatory guidelines issued till date.
- 1.3.4. The guidelines enumerated in the policy are applicable for all branches.
- 1.3.5. In view of the changes that are taking place in the financial sector, action may be called for at a short notice and therefore it is necessary that the MD & CEO is empowered to take decisions on exceptions or deviations. Such modifications should be placed before the Board for information at the time of review of policy.

1.4 Ownership

HO Priority Sector Department shall frame, design/review/fine tune/modify all policies/procedures in relation to MSME credit in the Bank, with the approval of Board of Directors.

CHAPTER- 2

2. MICRO, SMALL AND MEDIUM ENTERPRISES

2.1 Definition of Micro, Small and Medium Enterprises:

Government of India (GoI), vide vide [Gazette Notification S.O. 2119 \(E\) dated June 26, 2020](#), had notified new criteria for classifying the enterprises as Micro, Small and Medium enterprises. **As per new definition, there is no distinction between Manufacturing and Service MSMEs.** Earlier, the MSMEs were defined on the basis of investment only, but now the revised definition also includes turnover of the unit/firm/company. The new criteria has come into effect from July 1, 2020. The details are as under: -

2.2 Classification of enterprises

An enterprise shall be classified as a Micro, Small or Medium enterprise on the basis of the following criteria, namely:

Classification	Criteria
Micro Enterprise	<i>A micro enterprise</i> , where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.
Small Enterprise	<i>A small enterprise</i> , where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.
Medium Enterprise	<i>A medium enterprise</i> , where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

Note-1: Exports of goods or services or both, shall be excluded while calculating the turnover.

Note-2: The Value of Plant and Machinery or Equipment shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not cost of acquisition or original price.

2.1.2 Eligibility for becoming a micro, small or medium enterprise

- (i) Any person who intends to establish a micro, small or medium enterprise is required to file **Udyam Registration** online in the **Udyam Registration portal**,

based on self-declaration with no requirement to upload documents, papers, certificates or proof.

- (ii) On registration, an enterprise (referred to as “Udyam” in the Udyam Registration portal) will be assigned a permanent identity number to be known as **“Udyam Registration Number”**.
- (iii) An e-certificate, namely, **“Udyam Registration Certificate”** shall be issued on completion of the registration process.

2.1.3 Composite criteria of investment and turnover for classification

- (i) A composite criterion of investment and turnover shall apply for classification of an enterprise as micro, small or medium.
- (ii) If an enterprise crosses the ceiling limits specified for its present category in either of the two criteria of investment or turnover, it will cease to exist in that category and be placed in the next higher category but no enterprise shall be placed in the lower category unless it goes below the ceiling limits specified for its present category in both the criteria of investment as well as turnover.
- (iii) All units with Goods and Services Tax Identification Number (GSTIN) listed against the same Permanent Account Number (PAN) shall be collectively treated as one enterprise and the turnover and investment figures for all of such entities shall be seen together and only the aggregate values will be considered for deciding the category as micro, small or medium enterprise.

2.1.4 Calculation of investment in plant and machinery or equipment

- (i) The calculation of investment in plant and machinery or equipment will be linked to the Income Tax Return (ITR) of the previous years filed under the Income Tax Act, 1961.
- (ii) In case of a new enterprise, where no prior ITR is available, the investment will be based on self-declaration of the promoter of the enterprise and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.
- (iii) The expression “plant and machinery or equipment” of the enterprise, shall have the same meaning as assigned to the plant and machinery in the Income Tax Rules, 1962 framed under the Income Tax Act, 1961 and shall include all tangible assets (other than land and building, furniture and fittings).

- (iv) The purchase (invoice) value of a plant and machinery or equipment, whether purchased first hand or second hand, shall be taken into account excluding Goods and Services Tax (GST), on self-disclosure basis, if the enterprise is a new one without any ITR.
- (v) The cost of certain items specified in the *Explanation I* to sub-section (1) of Section 7 of the MSMED Act 2006 shall be excluded from the calculation of the amount of investment in plant and machinery.

NOTE: - The online form for Udyam Registration captures depreciated cost as on 31st March each year of the relevant previous year. Therefore, the value of Plant and Machinery or Equipment for all purposes of the [Notification No. S.O. 2119\(E\) dated June 26, 2020](#) and for **all the enterprises shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not cost of acquisition or original price**, which was applicable in the context of the earlier classification criteria.

2.1.5 Calculation of turnover

- (i) **Exports of goods or services or both, shall be excluded while calculating the turnover** of any enterprise whether micro, small or medium, for the purposes of classification.
- (ii) Information as regards turnover and exports turnover for an enterprise shall be linked to the Income Tax Act or the Central Goods and Services Act (CGST Act) and the GSTIN.
- (iii) The turnover related figures of such enterprise which do not have PAN will be considered on self-declaration basis for a period up to 31st March, 2021 and thereafter, PAN and GSTIN shall be mandatory.

2.1.6 In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise will maintain its prevailing status till expiry of one year from the close of the year of registration. In case of reverse-graduation of an enterprise, whether as a result of re-classification or due to actual changes in investment in plant and machinery or equipment or turnover or both, and whether the enterprise is registered under the Act or not, the enterprise will continue in its present category till the closure of the financial

year and it will be given the benefit of the changed status only with effect from 1st April of the financial year following the year in which such change took place. Other aspects relating to registration of enterprises, grievance redressal, etc. are mentioned in the [Gazette Notification S.O. 2119 \(E\) dated June 26, 2020](#).

- **Registration Process of MSMEs is given at ANNEXURE A**
- **Indicative List of activities considered as Services & Manufacturing is as per ANNEXURE-C**

2.2 Classification of MSME Priority Sector: -

All bank loans to MSMEs shall qualify under priority sector without any credit cap.

2.3 Khadi and Village Industries Sector (KVI)-

All loans to units in the KVI sector will be eligible for classification under the sub-target of 7.5 percent prescribed for Micro Enterprises under priority sector.

2.4 Other Finance to MSMEs

- i. Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that confirm to the definition of MSME as per Para 9 of Priority Sector Lending (PSL) – Targets and Classification issued vide HO Priority Sector Cir No. 582 dated 14.09.2020.
- ii. Loans to entities involved in assisting the decentralized sector in the supply of inputs and marketing of output of artisans, village and cottage industries. In respect of UCBs, the term “entities” shall not include institutions to which UCBs are not permitted to lend under the RBI guidelines / the legal framework governing their functioning.
- iii. Loans to co-operatives of producers in the decentralized sector viz. artisans, village and cottage industries (Not applicable for UCBs).
- iv. Loans sanctioned by banks to NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised Self-Regulatory Organisation (SRO) for the sector for on-lending to MSME sector as per the conditions specified in Paragraph 21 of Priority Sector Lending (PSL) – Targets and Classification issued vide HO Priority Sector Cir No. 582 dated 14.09.2020.
- v. Loans to registered NBFCs (other than MFIs) for on-lending to Micro & Small Enterprises as per conditions specified in Para 22 of Priority Sector Lending (PSL)

– Targets and Classification issued vide HO Priority Sector Cir No. 582 dated 14.09.2020.

- vi. Credit outstanding under General Credit Cards (including Artisan Credit Card, Laghu Udyami Card, Swarojgar Credit Card and Weaver's Card etc. in existence and catering to the non-farm entrepreneurial credit needs of individuals).
- vii. Overdraft to Pradhan Mantri Jan-Dhan Yojana (PMJDY) account holders as per limits and conditions prescribed by Department of Financial Services, Ministry of Finance from time to time, will qualify as achievement of the target for lending to Micro Enterprises.
- viii. Outstanding deposits with SIDBI and MUDRA Ltd. on account of priority sector shortfall.
- ix. Loan to PM SVANidhi Borrowers.

2.5 To ensure that MSMEs do not remain small and medium units merely to remain eligible for priority sector status, the MSME units will continue to enjoy the priority sector lending status up to three years after they grow out of the MSME category concerned.

2.6 The clubbing of investments of two or more enterprises under the same ownership for the purpose of classification of industrial undertakings as MSME has been rescinded.

CHAPTER- 3

3. TARGETS/ SUB-TARGETS FOR LENDING TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) - as per Priority Sector Guidelines

- 3.1** Advances to Micro, Small and Medium Enterprises (MSME) sector shall be reckoned in computing achievement under the overall Priority Sector target of 40 percent of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
- 3.2** Bank is required to achieve a sub-target of 7.5 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, for lending to Micro Enterprises.
- 3.3** **In terms of the recommendations of the Prime Minister’s Task Force on MSMEs, the Bank has to achieve:**
- (i) **20 percent** year-on-year growth in credit to micro and small enterprises,
 - (ii) **10 percent** annual growth in the number of micro enterprise accounts and
 - (iii) **60 percent** of total lending to MSE sector as on corresponding quarter of the previous year to Micro enterprises
-

CHAPTER- 4

4. COMMON GUIDELINES / INSTRUCTIONS FOR LENDING TO MSME SECTOR

4.1 Issue of Acknowledgement of Loan application to MSME borrowers

- (i) All the loan applications received manually or online, by the MSME borrowers be acknowledged and ensure that a running serial number is recorded on the application form as well as on the acknowledgement receipt.
- (ii) All loan applications for MSE units up to a credit limit upto **Rs. 5 lakh** should be disposed of within **2 weeks**; for credit limit above **Rs.5 lakh and upto Rs.25 Lakh** within **3 weeks**; and for credit limit above **Rs.25 lakh** within **6 weeks**, provided the loan applications are complete in all respects and accompanied by a "check list". However, the MSME applications received through www.psbloansin59minutes.com portal is to be sanctioned within 07 days of date of In-principal approval from the portal.
- (iii) Loan applications rejection shall be maintained at Branches wherein the date of receipt, sanction/rejection/disbursement with reasons thereof shall be recorded. In case of Micro & Small Enterprises, Branch Managers may reject applications (except in case of SC/ST) provided the cases of rejection are verified subsequently by ZM. In case of proposals from SC/ST, rejection should be at a level higher than that of BM.
- (iv) If the borrower gets his account rated by outside rating agency the application should be disposed off within 20 days.

4.2 MSME portal, Online filing and tracking of MSME Loan Application of the Bank

- (i) **MSME Online Loan Application of the Bank**

Bank has placed a system for online filing & tracking loan application for MSME customers so that customers can be provided with quick, convenient & hassle-free service of loans & Advances. All Branches are advised to acknowledge MSME Loan applications submitted manually and online maintain loan application Receipt/Reject Register. No MSME loan application should remain pending at Branches for more than 30 days

(ii) MSME Portal of the Bank

Bank has set up a MSME Portal on its website which displays following relevant information and data pertaining to MSME customers:-

- Online system of acknowledgement of loan application and loan tracking system
- Format of loan application form with check list
- MSME policy of the Bank
- Presence in MSME cluster
- Specialized MSME Branches in each state
- Interest Rates/ Service charges on MSMEs.
- OTS Scheme of the Bank.
- Number of people trained in RSETIs and of them those provided credit linkage.
- Branch level customer meets held
- Grievance Redressal Mechanism for MSMEs
- Name of the Nodal officer of the Bank for MSME complaints and queries
- Indicative List of activities considered as Services in MSME
- PSB Products for MSMEs
- Customer Satisfaction Survey

4.3 Common Application form:

- (i) Indian Banks' Association (IBA) Managing Committee has approved a Simplified Common Loan Application Form for MSMEs to be used by the Bank for loans upto Rs.2.00 crore. Bank has adopted the same and circulated among all the branches for use.
- (ii) A copy of the same is also available on Bank's Intranet site in following links:-
<https://intranet.psb.co.in/DEPTS/PNS/Booklets.aspx>

4.4 MSME Booklets – Loan application, appraisal and Documentation

The following MSE booklets for applicant, appraisal and documentation of MSE Credit proposal have been compiled and can be downloaded from Bank's Intranet Site:

- (i) Booklet containing MSE loan application, along with checklist of documents to be submitted by the customer.
- (ii) Booklet of MSE loan appraisal.
- (iii) Booklet of MSE loan documents to be obtained from customers.

(iv) Booklet of MSE loan documents to be executed by the Branch

4.5 Type of Loan/ Facility: The Bank provide all types of fund based and non-fund-based facilities to the borrower under this sector viz. Term Loan, Cash Credit, Overdraft facility, Bill financing, Letter of Credit, Packing credit, Bank guarantee, etc.

4.6 Composite Loan: Composite loan with maximum limit up to Rs.1.00 Cr. should be considered by bank to enable the Micro and Small Enterprises {both for manufacturing and service sector} to avail of their working capital and Term loan requirement through Single Window.

4.7 Margin Requirement: Requirement of margin shall be guided by loan policy/HO RMD policy of the Bank, except for scheme specific products of MSME, which are to be followed while disposal/processing of loan applications.

4.8 Collateral Security:

- Bank is mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector.
- Bank to extend collateral-free loans up to Rs.10 lakh to all units financed under the Prime Minister Employment Generation Programme (PMEGP) of KVIC.
- Emphasis be made on availment of Credit Guarantee Schemes.
- To encourage MSE lending under Credit Guarantee Scheme, Bank shall bear upfront guarantee fee/annual service fee for MSE loans up to Rs.5 lakh without passing the burden to the entrepreneurs.
- In case of MSME borrowers, which are above Rs.10.00 lakh and are not secured under Credit Guarantee Fund Trust for Micro and Small Enterprise (CGTMSE) cover/Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL)/any other guarantee coverage schemes/ where credit guarantee cover is not available, Bank should obtain the collaterals as per the Bank's guidelines on collateral security policy/ specific product scheme guidelines.
- CGTMSE has introduced a new "Hybrid Security" product allowing guarantee cover for the portion of credit facility not covered by collateral security. In the partial collateral security model, the Bank is allowed to obtain collateral security for a part

of the credit facility, whereas the remaining part of the credit facility, up to a maximum of Rs. 200 lakh, can be covered under Credit Guarantee Scheme of CGTMSE. CGTMSE will, however, have pari-pasu charge on the primary security as well as on the collateral security provided by the borrower for the credit facility. In such partial collateral model, the collateral coverage for the uncovered credit facility shall be obtained.

4.9 Other Parameters:

- While considering proposals under MSME sector, the book debt up to six months may be treated as current assets, for the purpose of computation of permissible bank finance and drawing power calculation.
- In regard to age of the book debts, banks loan policy is to be referred.
- All book debts more than 180 days (9 months for government receivables) are to be treated as Non-current asset.
- Applicable rate of interest to be guided by HO Risk Management Department Circulars issued from time to time.
- Loan review mechanisms are to be followed as per Bank's loan policy issued from time to time.
- Pre and Post sanction inspection, its frequency and charges etc. are to be guided at par with Bank's loan policy issued from time to time.
- Monitoring of the Loans including submission of QIS/MSOD etc. is to be guided by Bank's loan policy issued from time to time.
- All the applicable charges including review/renew for MSME loans are to be guided by Bank's Policy on Service Charges.
- Requirement of External rating Report/TEV report/Due Diligence report /Charges on Penal Interest and other charges are to be guided by Bank's guideline issued from time to time of the respective department.
- Collateral requirement except the scheme specific loans are to be guided by Bank's policy in this respect.
- Periodicity for submission of Stock Statement, calculation of Drawing Power (DP) and requirement of its Authentication/Verification by CA, if any, is to be guided by loan policy of the Bank.
- Applicable Penal Charges for MSME loans is to be guided by loan policy of the Bank.

- Criteria on eligibility of accounts under Stock Audit are to be guided by loan policy of the Bank.
- As per section 6 Companies Act, close relative covers : Father, mother (including step mother), son (including step son), son's wife, daughter (including step daughter), son's son, son's son's wife, son's daughter, son's daughter's husband, daughter's husband, daughter's son, daughter's son's wife, daughter's daughter, daughter's daughter's husband, brother (including step brother), brother's wife, sister (including step sister), wife/husband and sister's husband.
- Any other Regulatory guideline for financing MSME loans is also applicable as per guidelines issued by respective department.

4.10 Credit Appraisal and Due Diligence:

Processing of Applications

- i. Loan applications should be processed upon exercising proper due diligence and identification of the borrower.
- ii. CIR Reports of the MSME Entrepreneurs (Both personal and commercial) should be extracted. Each item in the Report is to be critically analysed and after full satisfaction, loan proposal is to be sanctioned.
- iii. Though, it is the primary responsibility of the borrowers to find out the genuineness of the supplier of machinery etc. (for which we are funding), whether they are the authorized dealers/supplier of the manufacturer, whether adequate service facilities are available in the near vicinity, Branches are also required to verify the veracity of the invoices, on the basis of which the disbursement orders are issued. The branches have to satisfy themselves by making discreet inquiries about the suppliers, in whose name the disbursement is to be released, by telephone calls, on-line verification, visits etc. The disbursement is to be preferably released in the bank account of the supplier whose details are also to be verified from the respective banks.
- iv. At the time of disbursement of the limits, the Borrowers are to be properly guided about the mode of repayment, mode of maintaining the account (more specifically for cash credit account), timely submission of stock statements, renewal of insurance of the assets, deposition of CGTMSE Annual Service fee in applicable cases, realization of any other charges, submission of audited accounts and any

- other terms and condition as given in the offer letter etc. These also have to be clearly spelt in the sanction letter along with all other normal conditions.
- v. To adhere to the above instruction meticulously all possible measures at all stages of credit delivery i.e. Pre-sanction inspection. Appraisal, Post disbursement monitoring to avoid chances of misuses by unscrupulous borrowers so that the end use of fund is ensured at all stages by inspection of assets created immediately after disbursement and later on a regular monthly basis.
 - vi. Proper identification of the Enterprises, verification of applicant(s) and his/her/their antecedents in accordance with KYC Norms/Guidelines, their experience in the proposed line of activity, educational and social background, technical/professional competence, integrity, initiatives, etc.
 - vii. Checking out for Willful Defaulters' List of RBI, Specific Approval List (SAL) of ECGC, CIR reports individuals as well as commercial etc.
 - viii. The acceptability of the product manufactured, its market demand/supply position, market competition, marketing arrangement, etc.
 - ix. Evaluation of State and Central Govt. Policies (enabling environment) with specific reference to the Enterprise in question, Environmental stipulations, availability of necessary infrastructure-roads, power, labor, raw material and markets.
 - x. Techno-economic Appraisal / Requirement of TEV report for loan proposals of above prescribed limit which is to be guided by loan policy of the Bank.
 - xi. Project Cost, the Proponent's own financial contribution, projections for corresponding period of project, and other important parameters which would include the BEP, liquidity, solvency, and profitability ratios, etc.

Working Capital Assessment

To sustain the business payment cycle every unit needs a working capital based on the period within which it is expected to recover its dues from the buyer. This is a very critical area of lending which is based on the existing cash flow, if any, and/ or the projected cash flow. This analysis is to be made discreetly as per the three methods discussed below:

TURNOVER METHOD – FOR LOAN UPTO Rs. 5.00 CR.

Enterprise that transact digitally

To encourage digital transactions under turnover based assessment, working capital assessment from 20% to 30 % of the digital portion projected turnover for credit limit in individual cases up to Rs 5 crore with proportionate increase in margin, shall be considered, at the time of assessment of WC limits to MSEs.

Enterprise that do not transact digitally

At the assessment of WC limits to MSEs under turnover based assessment, enhancement of the working capital limits from minimum 20% to 25 % of the projected turnover for credit limit in individual cases up to Rs. 5.00 crore with proportionate increase in margin, shall be considered.

Standard Operating Procedure (SOP) for digital transaction:

- Digital Transactions: All sales transactions reflected in bank books other than cash and paper-based instruments like cheques, DD, POs etc should be considered.
- Assessment of limit on digital portion of projected turnover should be based on past and current trends.
- In case, the actual digital transaction is below 85% of the accepted digital sales then credit limit assessed at 30% should be restored to 25%.

Note: All the fresh accounts i.e. first time borrower is to be treated at par with non-digital i.e. less than 75% transactions through digital mode.

MPBF (Maximum Permissible Bank Finance) method –

This method is generally being utilized in respect of borrowers with aggregate fund based working capital limits above Rs.5 crore from the entire banking system. This method is adopted where our Bank is the sole banker or under multiple banking arrangement. In case where account is under consortium arrangement, the practice is followed as adopted by the Lead Bank. In certain types of industries like tea, sugar, construction advances etc. Cash Budget System (described later in this chapter) is being adopted to assess the working capital requirements of such borrowers. The assessment should always be done based on projected figures of sales and

constitution of projected current assets and current liabilities which should be realistic keeping in view the past trend, market conditions, production capacity etc.

Cash Budget method –

The cash budget system envisages providing of working capital by the bank based on the peak deficit projected as per the cash flow statement. This is applied to certain seasonal industries such as tea and sugar and to specific industry such as Information Technology and Software (for limits above Rs.2.00 Crore). Besides, sanctioning authority may apply the cash budget system where they feel this system is more appropriate as in case of construction contractors.

The cash budget is basically a simple projection of cash account – usually month wise indicating cash receipts and cash payments/disbursements. The net gap i.e. peak cash deficit shall be the sanctioned working capital by the Bank. The availment of Working Capital Limit shall be according to accepted monthly cash budget which should be drawn on realistic assumptions

Term Loan

- I. Term loan may be for normal capital expenditure, acquisition of fixed assets, expansion of existing operational facilities etc.
- II. Maximum duration of loans including of moratorium period should be upto 10 years, based on cash flow. Relaxation may be allowed in the line of loan policy and as per Scheme specific products of MSMEs.
- III. Moratorium period should be considered depending on requirement of the project / proposal.
- IV. The technical feasibility and economic, financial, commercial viability, Managerial competence, environment viability and bank-ability of the proposal with reference to risk should be assessed.
- V. Disbursement of term loan should be made , upon compliance of all pre-disbursement formalities, phase wise as per draw-down schedule maintaining stipulated margin, preferably directly to the supplier, as per as practicable. Proper end-use of disbursed fund is to be ensured.
- VI. Repayment schedule should be fixed taking into account the sustenance requirements, surplus generating capacity, breakeven point, life of the asset, etc., and not in an “ ad hoc” manner.

- VII. Other parameters and benchmark financial ratios like, TOL/TNW, Debt equity Ratio, Current Ratio, DSCR, etc. should be in line with the Bank's loan policy.

Non Fund Limits

The non-fund limits are sanctioned as per need-based requirements of the borrower. The proposals for non-fund facilities should be dealt with same diligence as in case of funded limits.

Due Diligence

One peculiarity associated with MSME sector is that a major chunk of them are single owner run or family run businesses. It could take the shape of proprietorship or partnership, but generally unregistered. Proper due diligence in borrower selection assumes paramount importance.

The due diligence exercise should inter alia cover the following aspects

- KYC formalities (identification & address verification through generally accepted documents).
- Checking of CIR Reports (to be done annually at the time of review).
- Verification RBI / ECGC defaulters' list / SAL.
- Search in records of Registrar of Companies (RoC).
- Verification of PAN.
- Educational qualifications, experience, skills.
- Employment / business details.
- Scrutiny of existing Bank Accounts / borrowing if any
- Family background, social reputation, standing/duration in the business.
- Market reports.
- Interview of the borrower and compliance of KYC norms.
- Financial Statements/Data submitted by the borrower.
- Integrity of the borrower.
- Track record with special emphasis on servicing/repayment/ restructuring history.
- Report from existing bankers.
- Scrutiny of RBI Willful / Defaulters' (Non-Suit Rs.1 Crore & above) List/ CIR/SAL List/RBI's Caution List etc.
- Benchmark parameters for New Proposals including (Takeover cases with or without enhancement), existing proposals (renewal / enhancement / reduction):

- Facilities to be sanctioned to the units are to be financially assessed based on their past/current years" performance (in case of existing units), future projections etc. The parameters are various benchmark financial ratios like TOL/TNW, Debt equity Ratio, Current Ratio, DSCR, etc. The benchmark parameters shall be applicable for New Proposals including (Takeover cases with or without enhancement), existing proposals (renewal / enhancement / reduction). Approved benchmark ratios are guided by RMD circular on the Benchmark ratios issued from time to time.

Credit Rating Model

- **Internal Risk Rating**

Credit Rating of the borrower shall be intrinsic part of appraisal system i.e. credit rating of all MSME loans above Rs. 10 Lacs is to be done (irrespective of the fact whether rate of interest on such type of loan/ advance is linked with credit rating or not.

The basis of computing credit rating shall preferably be the latest Audited Balance sheet of the borrower. In case of inability of the borrower to furnish latest Audited Balance sheet, latest Provisional Balance Sheet verified by the chief executive of the borrowing organization may be considered.

- **External Credit Rating:**

External rating in case of borrowers whose credit limits outstanding more than Rs 5 Crore is to be mandatorily obtained. If external rating is not obtained additional interest @ 0.50%, as per bank guidelines is to be charged in the account. The approved agencies for external ratings are ICRA, CARE, SMERA, CRISIL, India Ratings & Research Pvt. Ltd., BRICKWORK, INFOMERICS Valuation & Rating Pvt. Ltd.

4.11 General Credit card (GCC) Scheme:

The GCC shall cover all productive activities within the overall Priority sector guidelines and will capture all credit extended to individuals for non- farm entrepreneurial activity.

Eligibility: - All non-farm entrepreneurial credit extended to individuals.

Nature of Facility: - The credit facility extended under the scheme would include both working

capital and Term loan requirements of entrepreneurs.

Quantum of Credit Limit: - There is no ceiling on the loan amount as long as the loan is for the purpose of non-farm entrepreneurial activity and is otherwise eligible for classification as priority sector.

Rate of Interest (ROI): - The rate on interest will be applicable as per credit limit on MSME advances.

4.12 Credit Linked Capital Subsidy Scheme:

Govt. of India, Ministry of Micro, Small & Medium Enterprises had launched Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation of Micro and Small Enterprises subject to the following terms & Conditions:

- (i) The Ceiling limit on the loan under the scheme is Rs. 1 crore.
- (ii) The Subsidy would be 15% (i.e Maximum 15 lakh) of the loan / credit amount or cost of Plant & Machinery (P&M), whichever is lower.
- (iii) SIDBI is the implementing agency for the scheme.

Claim process: All eligible applications are submitted online by H.O. Priority Sector Deptt. on the CLCSS Portal through the nodal agency i.e. SIDBI. Branches/ Zonal Offices have to submit claim applications complete in all respects to H.O. Priority Sector. The subsidy claim is to be submitted by subsequent quarter in which the reference date falls (Last date of disbursement of Loan.) Office of Development Commissioner MSME (DCMSME) is the final authority and releases subsidy to SIDBI, for further remittance to concerned Bank.

4.13 Streamlining flow of credit to Micro & Small Enterprises (MSEs) for facilitating timely and adequate credit flow during their Life Cycle:

In order provide timely financial support to MSEs facing financial difficulties during their "Life Cycle", guidelines were issued to banks vide RBI circular FIDD.MSME & NFS.BC.No.60/06.02.31/2015-16 dated August 27, 2015 on the captioned subject. RBI has advised to review and tune their existing lending policies to the MSE sector by incorporating therein the following provisions so as to facilitate timely and adequate availability of credit to viable MSE borrowers especially during the need of funds in unforeseen circumstances:

- To extend standby credit facility in case of term loans
- Additional working capital to meet with emergent needs of MSE units

- Mid-term review of the regular working capital limits, where banks are convinced that changes in the demand pattern of MSE borrowers require increasing the existing credit limits of the MSMEs, every year based on the actual sales of the previous year.
- Timelines for Credit Decisions

Standby Credit Facility- Streamlining Flow of Credit to Micro And Small Enterprises (MSEs) and for Facilitating Timely and Adequate Credit Flow During Their “Life Cycle” (RBI Circular Reference no. NFS.BC.No.60/06.02.21/2015-16 dated 27th August, 2015). Micro and Small units are more prone to facing financial difficulties during their Life Cycle than large enterprise/corporate when the business conditions turn adverse. Absence of timely support at such juncture could lead to the unit turning sick and many a time irreversibly. As such role of bank in providing continuous support to viable MSEs during such phase of transient financial difficulties assumes significance. In this connection Bank has designed special Loan product namely “**PSB Standby Line of Credit**”, which has been circulated separately.

4.14 Debt Restructuring Mechanism for MSMEs:

Bank follows guidelines/ instructions pertaining to SME Debt Restructuring as Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances to ensure restructuring of debt of all eligible Micro, Small & Medium Enterprises.

Based on the RBI recommendation:

- The Bank has already put in place policies for credit facilities, Restructuring/ Rehabilitation policy for revival of potentially viable sick units/ enterprises and non-discretionary One-Time settlement scheme for recovery of non- performing loans for MSE sector.
- One Time Settlement has been placed on Bank’s Website under MSME portal.
- Bank has implemented recommendations with regard to timely and adequate flow of credit to the MSE sector.

4.15 Framework for Revival and rehabilitation of MSMEs:

Based on the Ministry of MSME, Gol and RBI guidelines, Bank has adopted “Framework for Revival & Rehabilitation of Micro, Small & Medium Enterprises” to provide a simpler and faster mechanism to address the stress in the accounts of MSMEs and to facilitate the promotion and development of MSMEs.

The salient features of the framework are as under:

- (i) Before a loan account of MSME turns into Non Performing Asset (NPA), Bank or creditors should identify incipient stress in the account by creating three sub categories under the Special Mention Account (SMA) category as given in the Framework.
- (ii) Any MSME borrower may also voluntarily initiate proceeding under this Framework.
- (iii) Committee approach to be adopted for deciding corrective Action Plan.
- (iv) Time lines have been fixed for taking various decisions under the Framework.

4.16 Structured Mechanism for Monitoring the Credit growth to the MSE Sector:

In view of the concerns emerging from the deceleration in credit growth to the MSE sector, an Indian banking Association (IBA)-led Sub-Committee (Chairman: Sh. K.R. Kamath) was set up to suggest a structured mechanism to be put in place by banks to monitor the entire gamut of credit related issues pertaining to the sector. Based on the recommendations of the Committee, banks have been advised to:

- Strengthen their existing systems of monitoring credit growth to the sector and put in place a system-driven comprehensive performance managed information system critically evaluated on a regular basis;
- Put in place a system of e-tracking of MSE loan applications and monitor the loan application disposal process in banks, giving branch-wise, region-wise, zone –wise and state-wise positions. The position in this regard is to be displayed by banks on their websites; and
- Monitor timely rehabilitation of sick MSE units. The progress in rehabilitation of sick MSE units is to be made available on the website of banks.

CHAPTER- 5

5 Institutional Agreements

5.1 Specialized MSME Branches

Bank has categorized 143 General Banking Branches (having 60% or more of their advances to MSME sector) as MSME Specialized Branches (Annexure-E).

Though core competence of MSME Specialized Branches is utilized for extending finance and other services to MSME sector, they have operational flexibility to extend finance/ render other services to other sectors/borrowers also.

Bank has also designated single-point MSME relationship officers (ROs) in all Specialized MSME Branches. These officers have been assigned the task to regularly monitor and follow up with MSME customers with special focus on TOP 20 MSME Borrowers of the Branch. **Bank has also defined Roles & Duties of all Relationship Officers (ROs) and the same has been circulated vide H.O. PS Circular No.548 dated 26.09.2018.**

For specialized MSME Branches, the Branch In charge has been delegated to use lending power of next scale, only for MSME advances, subject to the maximum aggregate lending powers of own scale. For example, Scale 1 Branch Head of a specialized MSME Branch can sanction maximum MSME advance to the extent of Rs.10 Lac only, likewise scale III Branch Head of a specialized MSME Branch can sanction maximum MSME advance to the extent of Rs. 50 Lac only.

5.2 State Level Inter Institutional Committee:

- (i) In order to deal with the problem of co-ordination for rehabilitation of sick micro and small units, State Level Inter-Institutional Committee (SLIICs) was set up in the states.
- (ii) However, the matter of continuation or otherwise, of the SLIIC forum has been left to the individuals States/Union Territory. The meetings of these Committees are convened by Regional Offices of RBI and presided over by the Secretary, Industry of the concerned State Government.
- (iii) It provides a useful forum for adequate interfacing between the State Government Officials and State Level Institutions on the one side and the term lending institutions and banks on the other.

- (iv) It closely monitors timely sanction of working capital to units which have been provided term loans by SFCs, implementation of special schemes such as Margin Money Scheme of State Government and reviews general problems faced by industries and sickness in MSE sector based on the data furnished by banks.
- (v) Among others, the representatives of the local state level MSE associations are invited to the meetings of SLIC which are held quarterly.

5.3 Empowered Committee on MSMEs

- (i) Empowered Committees on MSMEs have been constituted under the Chairmanship of the Regional Directors of RBI with the representatives of SLBC Convenor, senior level officers from two banks having predominant share in MSME financing in the state, representative of SIDBI Regional Office, the Director of Industries of the State Government, one or two senior level representatives from the MSME Associations in the state, and a senior level officer from SFC/SIDC as members.
- (ii) The Committee will meet periodically and review the progress in MSME financing as also rehabilitation of sick Micro, Small and Medium units.
- (iii) It will also coordinate with other Banks/Financial Institutions and the State Government in removing bottlenecks, if any, to ensure smooth flow of credit to the sector.
- (iv) The committees may decide the need to have similar committees at cluster/district levels.

5.4 Banking Codes and Standard Board of India (BCSBI):

- (i) The Banking Codes and Standards Board of India (BCSBI) has formulated a Code of Banks' Commitment to Micro and Small Enterprises (MSE code). This Code sets minimum standards of banking practices for banks to follow when they are dealing with Micro and Small Enterprises (MSEs). It provides protection to MSE and explains how banks are expected to deal with MSE for their day to-day operations and in times of financial difficulty.
- (ii) This code has been adopted by the Bank and updated from time to time. The Code of Bank's Commitment to Micro and Small Enterprises has been hoisted on the Bank's website for the knowledge of customers and the staff.
- (iii) However, the Code does not replace or supersede regulatory or supervisory

instructions issued by the Reserve Bank of India (RBI) and Bank will comply with such instructions /directions issued by the RBI from time to time. Similarly, the Code does not replace or supersede guidelines issued by the Bank from time to time.

- (iv) As and when any modification in the Code is made by the BCSBI, the same can be adopted by the Bank with the permission of Managing Director & CEO unless otherwise falling with the delegation of any specified Committee.

Objectives of the BCSBI Code: The Code has been developed to:

- Give a positive thrust to the MSE sector by providing easy access to efficient banking services.
- Promote good and fair banking practices by setting minimum standards in dealing with MSE.
- Increase transparency so that a better understanding of what can be reasonably expected of the services.
- Improve understanding of business through effective communication.
- Encourage market forces, through competition, to achieve higher operating standards.
- Promote a fair and cordial relationship between MSE and banks and also ensure timely and quick response to banking needs.
- Foster confidence in the banking system.

The complete text of the Code is available at the bank's website.

(<https://www.psbindia.com/document/MSME/CodeOfBankMSE.pdf>).

5.5 Micro and Small Enterprises Sector- The Imperative of Financial Literacy and Consultancy Support:

- (i) Keeping in view the high extent of financial exclusion in the MSME sector, it is imperative that the excluded units are brought within the fold of the formal banking sector.
- (ii) The lack of financial literacy, operational skills, including accounting and finance, business planning etc. represent formidable challenge for MSE borrowers underscoring the need for facilitation in these critical financial areas.
- (iii) Moreover, MSE enterprises are further handicapped in this regard by absence of scale and size.

- (iv) To effectively and decisively address these handicaps, scheduled commercial banks have been advised that the banks could either separately set up special cells at their branches, or vertically integrate this function in the Financial Literacy Centers (FLCs) set up by them, as per their comparative advantage.
- (v) The bank staff is to be trained through customized training programs to meet the specific needs of the sector.
- (vi) Government -Marketplace (GeM) [details available on <https://gem.gov.in>] is the National Public Procurement to facilitate online procurement of common use goods and services required by various Government Departments / organizations / PSUs. GeM will enhance transparency, efficiency and speed in public procurement. It will also provide the tool for e-bidding and reverse e-auction as well as demand aggregation to facilitate the government users to achieve best value for the money. Our MSME customers should be advised to get themselves registered at GeM for easy facilitation of access to market place.

5.6 Cluster Approach

- (i) The credit requirement in the clusters identified by the Ministry of Micro, Small and Medium Enterprises, Government of India, where our Bank is a SLBC Convenor is to be incorporated in Annual Credit Plan.
- (ii) Branches to adopt full- service approach to cater to the diverse needs of the MSE Sector that may be achieved through extending Banking services to recognized MSE clusters by adopting a 4-C approach namely Customer Focus, Cost Control, Cross Sell and Contain risk.

A cluster-based approach to lending may be more beneficial:

- (a) In dealing with well-defined and recognized groups
- (b) Availability of appropriate information for risk assessment and
- (c) Monitoring by the lending institutions.

Clusters may be identified based on factors such as trade record, competitiveness and growth prospects and/or other cluster specific data.

- (iii) Institutional arrangements for delivering credit to the MSME sector, is to be reviewed, especially in 388 clusters identified by United Nations Industrial Development Organization (UNIDO) spread over 29 states in various parts of the country. A list of MSME clusters as identified by UNIDO has been furnished in

ANNEXURE- D

- (iv) The Ministry of Micro, Small and Medium Enterprises has approved a list of clusters under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and Micro and Small Enterprises Cluster Development Programme (MSE-CDP) located in 121 Minority Concentration Districts. Accordingly, Branches in these districts to facilitate credit flow to the identified clusters of Micro and Small Entrepreneurs from Minority Communities residing in the minority concentrated districts of the country.

5.7 Delayed Payment

Under the Amendment Act, 1998 of Interest on Delayed Payment to Small Scale and Ancillary Industrial Undertakings, penal provisions have been incorporated to take care of delayed payments to MSME units. After the enactment of the Micro, Small and Medium Enterprises Development (MSMED), Act 2006, the existing provisions of the Interest on Delayed Payment Act, 1998 to Small Scale and Ancillary Industrial Undertakings, have been strengthened as under:

- (i) The buyer has to make payment to the supplier on or before the date agreed upon between him and the supplier in writing or, in case of no agreement, before the appointed day. The period agreed upon between the supplier and the buyer shall not exceed forty-five days from the date of acceptance or the day of deemed acceptance.
- (ii) In case the buyer fails to make payment of the amount to the supplier, he shall be liable to pay compound interest with monthly rests to the supplier on the amount from the appointed day or, on the date agreed on, at three times of the Bank Rate notified by Reserve Bank.
- (iii) For any goods supplied or services rendered by the supplier, the buyer shall be liable to pay the interest as advised at (ii) above.
- (iv) In case of dispute with regard to any amount due, a reference shall be made to the Micro and Small Enterprises Facilitation Council, constituted by the respective State Government.
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CHAPTER- 6

6. COMMITTEES ON FLOW OF CREDIT TO MSE SECTOR

6.1 Report of the High Level Committee on Credit to SSI (now MSE) (Kapur Committee)

- (i) Reserve Bank of India had appointed a one-man High-Level Committee (June 30, 1998) headed by Shri S L Kapur, (IAS, Retd.), Former Secretary, Government of India, Ministry of Industry to suggest measures for improving the delivery system and simplification of procedures for credit to SSI sector.
- (ii) The Committee made 126 recommendations covering wide range of areas pertaining to financing of SSI sector.
- (iii) These recommendations were examined by the RBI and accepted 88 out of them **and the same have been adopted by Bank.** The Key recommendations are :
 - (a) Delegation of more powers to branch managers to grant ad-hoc limits;
 - (b) Simplification of application forms;
 - (c) Freedom to banks to decide their own norms for assessment of credit requirements.
 - (d) Opening of more specialised SSI/ MSME branches;
 - (e) Enhancement in the limit for composite loans to Rs. 5 lakh. (*since enhanced to Rs.1 crore*);
 - (f) Bank to pay more attention to the backward states;
 - (g) Special programmes for training branch managers for appraising small projects;
 - (h) Banks to make customers grievance machinery more transparent and simplify the procedures for handling complaints and monitoring thereof.
- (iv) A circular was issued by RBI vide RPCD.No. PLNFS.BC.22/06.02.31/98-99 dated August 28, 1998 thereby advising implementation of the Kapur Committee Recommendations.

Report of the Committee to Examine the Adequacy of Institutional Credit to SSI Sector (now MSE) and Related Aspects (Nayak Committee)

- (i) The Committee was constituted by Reserve Bank of India in December 1991 under the Chairmanship of Shri P. R. Nayak, the then Deputy Governor to examine the

issues confronting SSIs (now MSE) in the matter of obtaining finance. The Committee submitted its report in 1992. All the major recommendations of the Committee have been accepted and the banks have been inter-alia advised to:

- (a) give preference to village industries, tiny industries and other small scale units in that order, while meeting the credit requirements of the small scale sector;
 - (b) grant working capital credit limits to SSI (now MSE) units computed on the basis of minimum 20% of their estimated annual turnover whose credit limit in individual cases is upto Rs.2 crore [since raised to Rs.5 crore];
 - (c) ensure that there should not be any delay in sanctioning and disbursal of credit. In case of rejection/curtailment of credit limit of the loan proposal, a reference to higher authorities should be made;
 - (d) not to insist on compulsory deposit as a `quid pro-quo" for sanctioning the credit;
 - (e) open specialized SSI (now MSE) Bank Branches or convert those Branches which have a fairly large number of SSI (now MSE) borrowal accounts, into specialized SSI (now MSE) Branches;
 - (f) standardize loan application forms for SSI (now MSE) borrowers; and
 - (g) impart training to staff working at specialized Branches to bring about attitudinal change in them.
- (ii) A circular was issued by RBI vide RPCD. PLNFS/ BC. No. 61/06.0262/ 2000-01 dated March 2, 2001 thereby advising implementation of the Nayak Committee Recommendations.

6.2 Report of the Working Group on Flow of Credit to SSI (Now MSE) Sector (Ganguly Committee)

- (i) A "Working Group on Flow of Credit to SSI sector" was constituted under the Chairmanship of Dr. A S Ganguly. The Committee made 31 recommendations covering wide range of areas pertaining to financing of SSI sector. The recommendations pertaining to RBI and banks have been examined and RBI has accepted 8 recommendations so far and communicated the following to banks for implementation which are as under:
- (a) Adoption of cluster based approach for financing MSME sector;
 - (b) Sponsoring specific projects as well as widely publicising successful working models of NGOs by Lead Banks which service small and tiny industries and individual entrepreneurs;

- (c) Sanctioning of higher working capital limits by Banks operating in the North East region to SSIs (now MSE) , based on their commercial judgment due to the peculiar situation of hilly terrain and frequent floods causing hindrance in the transportation system;
- (d) Exploring new instruments by banks for promoting rural industry and to improve the flow of credit to rural artisans, rural industries and rural entrepreneurs.

6.3 Working Group on Rehabilitation of Sick SMEs (Chairman: Dr. K.C. Chakrabarty)

- (i) In the light of the recommendations of the Working Group on Rehabilitation of Sick MSEs (Chairman: Dr. K.C. Chakrabarty, the then CMD of Punjab National Bank), following was advised by RBI:
 - (a) To put in place loan policies governing extension of credit facilities, Restructuring/Rehabilitation policy for revival of potentially viable sick units/enterprises and non- discretionary One Time Settlement scheme for recovery of non-performing loans for the MSE sector, with the approval of the Board of Directors and
 - (b) To implement the recommendations with regard to timely and adequate flow of credit to the MSE sector.
- (ii) To consider implementation of the recommendations, inter alia, that lending in case of all advances upto Rs 2 crores may be done on the basis of scoring model.
- (iii) To undertake a review of the loan policy governing extension of credit facilities to the MSE sector, with a view to using Board approved credit scoring models in evaluation of the loan proposals of MSE borrowers.

6.4 Prime Minister's Task Force on Micro, Small and Medium Enterprises

- (i) A High Level Task Force was constituted by the Government of India (Chairman: Shri T K A Nair), in January 2010, to consider various issues raised by Micro, Small and Medium Enterprises (MSMEs).
- (ii) The Task Force recommended several measures having a bearing on the functioning of MSMEs, viz., credit, marketing, labour, exit policy, infrastructure/technology/skill development and taxation. The comprehensive recommendations cover measures that need immediate action as well as medium term institutional measures along with legal and regulatory structures and

recommendations for North-Eastern States and Jammu & Kashmir.

- (iii) It was urged to keep in view the recommendations made by the Task Force and take effective steps to increase the flow of credit to the MSE sector, particularly to the micro enterprises.

6.5 Working Group to Review the Credit Guarantee Scheme for Micro and Small Enterprises

- (i) A Working Group was constituted by the Reserve Bank of India under the Chairmanship of Shri V.K. Sharma, Executive Director, to review the working of the Credit Guarantee Scheme (CGS) of CGTMSE and suggest measures to enhance its usage and facilitate increased flow of collateral free loans to MSEs.
 - (ii) The recommendations of the Working Group included, inter alia, mandatory doubling of the limit for collateral free loans to micro and small enterprises (MSEs) sector from Rs.5 lakh to Rs.10 lakh and enjoining upon the Chief Executive Officers of banks to strongly encourage the branch level functionaries to avail of the CGS cover and making performance in this regard a criterion in the evaluation of their field staff, etc.
 - (iii) RBI has advised not to accept collateral security in the case of loans upto Rs 10 lakh extended to units in the MSE sector and strongly encourage branch level functionaries to avail of the CGS cover, including making performance in this regard a criterion in the evaluation of their field staff.
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CHAPTER- 7

7 GOVERNMENT INITIATIVE TO PROMOTE MSMEs

7.1 Pradhan Mantri Mudra Yojna (PMMY):

Micro Units Development & Refinance Agency Ltd. (MUDRA) was launched by Hon'ble Prime Minister on April 8, 2015 as new financial entity for developing and refinancing last mile financial intermediaries like Banks, NBFCs, MFIs etc. This segment mainly consists of enterprises in manufacturing, trading, services & allied agriculture activities, whose credit needs are upto Rs 10 lakh. The overdraft amount upto Rs 10000/- sanctioned under PMJDY is also classified as MUDRA loans.

PMMY loans are classified into 3 categories as:

- **Shishu** : Loans upto Rs. 50,000/-
- **Kishore** : loans above Rs. 50,000/- and up to Rs. 5 lakh.
- **Tarun** : loans above Rs. 5 lakh to Rs. 10 lakh.

Eligibility:- Any Indian Citizen who has a business plan for a income generating activity such as manufacturing, trading, service sector & allied agriculture activities whose credit need is up to Rs.10 lakh can approach the Bank, for availing of MUDRA loans under PMMY.

Loan Application Forms: In respect of Shishu category, IBA approved one page application & for Kishore and Tarun categories, separate application form is available on the Bank's website.

MUDRA CARD: It will provide a facility of working capital arrangement in the form of CC/OD to the borrower. Since MUDRA Card will be RuPay debit card, it can be used for drawing cash from ATM or Business Correspondent or make purchase using Point of Sale (POS) machine.

Collateral Security: Branches have been mandated not to insist for collateral security & guarantee in the case of loans under Pradhan Mantri Mudra Yojana

Interest Rate: As per rate of Interest Issued by HO RMD Department from time to time.

Margin for MUDRA loans: Margin for loans under Shishu category (loan upto Rs.50, 000/-) is 10%. For loans under Kishore & Tarun category, minimum margin is 25%.

Guarantee Cover: Credit Guarantee Fund for Micro Units (CGFMU) provides guarantee cover to loans up to the specified limit i.e. Rs. 10.00 lakh sanctioned by the Bank to

eligible micro units under PMMY. National Credit Guarantee Trustee Company (NCGTC) acts as the Trustee to operate this Credit Guarantee Fund.

Extent of the Guarantee: In the nature of “First Loss Portfolio Guarantee”, wherein first loss to the extent of 3% of the amount in default, will be borne by the Bank and therefore, will be excluded for the claim. Out of the balance portion, the ‘extent of guarantee’ will be to a maximum extent of 75% of ‘Amount in Default’ in the portfolio or such other percentage as may be specified by the Fund from time to time on a pro-rata basis.

Guarantee Fee: Guarantee Fee will be charged at the Standard Basic Rate (SBR) of 1.00% of sanctioned amount **(plus applicable GST); and**

Risk premium on NPAs in Guaranteed portfolio		Risk premium on Claim Payout Ratio	
NPA Percentage	Risk Premium	Claim Payout Percentage	Risk Premium
0-2%	Nil	0-2%	Nil
>2-3%	5% of SBR	>2-3%	5% of SBR
>3-6%	10% of SBR	>3-6%	10% of SBR
>6-9%	15% of SBR	>6-9%	15% of SBR
>9-12%	20% of SBR	>9-12%	20% of SBR
>12-15%	25% of SBR	>12-15%	25% of SBR

Note: To Promote and encourage small entrepreneurs, the Bank bears the Upfront Guarantee Fee/ Annual Guarantee Fee/ Annual Service Fee on proscribed rates in all eligible cases availing credit limit upto Rs. 5.00 lakh.

Invocation of Guarantee: The Bank may invoke the guarantee in respect of the ‘amount in default’ out of the crystallized portfolio of micro loans, subject to the condition of first loss guarantee, after 1 year from the date of crystallization of the portfolio and thereafter, at the end of every financial year.

7.2 Stand Up India Scheme:

A flagship programme of Govt. of India launched on 5th April, 2016 for facilitating credit to SC/ST and Women entrepreneurs. The objective of Stand-Up India scheme is to facilitate Bank loans between Rs.10 lakh and Rs.1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per

Bank Branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

Nature of Loan - Composite loan (inclusive of term loan and working capital) between Rs.10.00 lakh and upto Rs. 100.00 lakh. Up to 75% of the project cost would be eligible under the scheme.

Rate of Interest- The rate of interest for loans under Stand Up India is as per Rate of Interest Circulated by HO RMD Department from time to time.

Security- In addition to mortgage/hypothecation of Primary Asset acquired out of loan, the loan may also be secured by collateral security or guarantee of Credit Guarantee Scheme for Stand-Up India Loans (CGSSI).

Benefits of the Scheme- Apart from linking prospective borrowers to Banks for loans, the web portal (www.standupmitra.in) designed by SIDBI for Stand Up India Scheme also provides handholding support through a network of agencies engaged in training, skill development, mentoring, project report preparation, application filling, work shed/utility support services, subsidy schemes etc.

Guarantee Cover: Credit Guarantee Scheme for Stand Up India (CGSSI) provides guarantee cover to credit facilities **of over Rs.10 lakh and up to Rs.100 lakh** sanctioned under Stand Up India (SUI). The loan of Rs.10.00 lakh can be covered under CGTMSE/CGFMU.

Extant of the guarantee:

- The guarantee would be available for 80% of the amount in default for credit facilities above Rs.10 lakh and upto Rs.50 lakh, subject to maximum of Rs.40 lakh.
- For the credit facility above Rs.50 lakh and upto Rs.100 lakh, the guarantee cover available is Rs.40 lakh plus 50% of amount in default above Rs. 50 lakh subjects to overall ceiling of Rs. 65 lakh of the amount in default.

Guarantee Fee: Guarantee Fee will be charged at the Standard Basic Rate (SBR) of 0.85% of sanctioned amount **(plus applicable GST)**; and

Risk premium on NPAs in Guaranteed portfolio		Risk premium on Claim Payout Ratio	
NPA Percentage	Risk Premium	Claim Payout Percentage	Risk Premium
0-5%	SBR	0-5%	SBR
>5-10%	10% of SBR	>5-10%	10% of SBR
>10-15%	15% of SBR	>10-15%	15% of SBR
>15-20%	20% of SBR	>15-20%	20% of SBR
>20%	25% of SBR	>20%	25% of SBR

7.3 PMEGP Loan

Khadi and Village Industries Commission (KVIC), an implementing agency of PMEGP has introduced a new online portal from 01.07.2016 for the processing of PMEGP applications, i.e. from filling applications to margin money sanction. Margin Money subsidy funds will be disbursed directly to financing bank branches by the single nodal bank i.e. Corporation Bank (now merged with Union Bank of India). Detailed guidelines of the scheme have been issued separately.

7.4 Credit Guarantee Fund Trust Scheme for Micro & Small Enterprises (CGTMSE):

The Board of Trustees of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), had framed a Scheme for the purpose of providing guarantees in respect of credit facilities extended by Lending Institutions (Banks) to the borrowers in Micro and Small Enterprises (MSEs). The details of the Scheme are given below:

7.4.1 Title and date of commencement

- (i) The Scheme shall be known as the Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGS-I) [earlier known as Credit Guarantee Fund Scheme for Small Industries (CGFSI)]. Subsequent to the enactment of MSMED Act-2006, the Trust was renamed as Credit Guarantee Fund Trust for Micro and Small Enterprises and scheme as Credit Guarantee Fund Scheme for Micro and Small Enterprises.

- (ii) The Scheme had come into force from August 1, 2000 and had covered eligible credit facilities extended by the lending institutions to eligible borrowers effective from June 1, 2000.
- (iii) The scheme was modified from time to time for ease of operations, enhancement of credit flow to MSE sector and to meet the requirements of the MSEs as well as Lending Institutions. The current document /scheme is updated up to March 18, 2020.

7.4.2 Guarantees by the Trust

- (i) Subject to the other provisions of the Scheme, the Trust undertakes, in relation to credit facilities extended to an eligible borrower from time to time by an eligible institution which has entered into the necessary agreement for this purpose with the Trust, to provide a guarantee on account of the said credit facilities.
- (ii) The Trust reserves the discretion to accept or reject any proposal referred by the lending institution which otherwise satisfies the norms of the Scheme.

7.4.3 Credit facilities eligible under the Scheme

The Trust shall cover credit facilities (Fund based and/or Non fund based) extended by Bank to a single eligible borrower in the Micro and Small Enterprises sector for credit facility (i) not exceeding ₹50 lakh (Regional Rural Banks/Financial Institutions);(ii) not exceeding ₹200 lakh (Scheduled Commercial Banks, select Financial Institutions, Non Banking Financial Companies (NBFCs) and Small Finance Banks (SFBs) by way of term loan and/or working capital facilities on or after entering into an agreement with the Trust, without any collateral security and/or third party guarantees or such amount as may be decided by the Trust from time to time.

Provided that the Bank applies for guarantee cover in respect of credit proposals sanctioned in the quarter April-June, July-September, October-December and January-March prior to expiry of the following quarter viz. July-September, October-December, January-March and April-June respectively.

Provided further that, as on the material date

- (i) Credit facility is standard and regular (not SMA) as per RBI guidelines and / or

- (ii) The business or activity of the borrower for which the credit facility was granted has not ceased; and / or
- (iii) The credit facility has not wholly or partly been utilized for adjustment of any debt deemed bad or doubtful of recovery, without obtaining a prior consent in this regard from the Trust.

CGTMSE had included the MSE Retail Trade under its ambit for fresh credit facilities eligible for guarantee coverage by ZOs/Branches on or after February 28, 2018 for cases upto ₹100 lakh per MSE borrower.

CGTMSE had also introduced a new “Hybrid Security” product where the Branches will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining unsecured part of the credit facility, upto a maximum of ₹200 lakh, can be covered under CGS-I. CGTMSE will, however, have pari-passu charge on the primary security and notional second charges on the collateral security provided by the borrower for the credit facilities extended. Under the hybrid security product, there is no requirement for MLIs to create security / charge in favour of CGTMSE by way of legal documentation.

Credit facilities extended by more than one bank and/or financial institution jointly and/or separately to eligible borrower up to a maximum of ₹200 lakh per borrower subject to ceiling amount of individual MLI or such amount as may be specified by the Trust.

7.4.4 Credit facilities not eligible under the Scheme

The following credit facilities shall not be eligible for being guaranteed under the Scheme: -

- (i) Any credit facility in respect of which risks are additionally covered under a scheme operated / administered by Deposit Insurance and Credit Guarantee Corporation or the Reserve Bank of India, to the extent they are so covered.
- (ii) Any credit facility in respect of which risks are additionally covered by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered.

- (iii) Any Credit facility for loans upto ₹10 lakh to Micro Enterprises shall not be eligible to covered under the Scheme if the said credit facility has been covered under MUDRA Guarantee Scheme through NCGTC Ltd. while applying for the guarantee cover for such proposals.
- (iv) Any credit facility, which does not conform to, or is in any way inconsistent with, the provisions of any law, or with any directives or instructions issued by the Central Government or the Reserve Bank of India, which may, for the time being, be in force.
- (v) Any credit facility granted to any borrower, who has availed himself of any other credit facility covered under this scheme or under the schemes mentioned in clause (i), (ii) and (iii) above, and where the lending institution has invoked the guarantee provided by the Trust or under the schemes mentioned in clause (i), (ii) and (iii) above, but has not repaid any portion of the amount due to the Trust or under the schemes mentioned in clause (i), (ii) and (iii) above, as the case may be, by reason of any default on the part of the borrower in respect of that credit facility.
- (vi) Any credit facility which has been sanctioned by the lending institution against collateral security and / or third party guarantee. However, after the introduction of Hybrid Security model Branches can cover the unsecured part of the collateral security under CGTMSE upto to the extent of ₹200 lakh.
- (vii) Any credit facility which has been sanctioned by the lending institution (all scheduled commercial banks, selected financial institutions and RRBs) with the interest rate charged as per the RBI guidelines would be eligible for coverage under CGS.

7.4.5 Agreement to be executed by the lending institution

Bank shall not be entitled to a guarantee in respect of any eligible credit facility granted by it unless it has entered into an agreement with the Trust in such form as may be required by the Trust for covering by way of guarantee, under the Scheme all the eligible credit facilities granted by the Bank, for which provision has been made in the Scheme.

Annual Guarantee Fee (AGF) : - AGF will be charged on the guaranteed amount for the first year and on the outstanding amount for the remaining tenure of the credit facilities sanctioned / renewed to MSEs on or after April 01, 2018 as detailed below –

Modified AGF Structure – Standard Rate (SR)

Credit Facility	Annual Guarantee Fee (AGF) [% p.a.]*	
	Women, Micro Enterprises and Units covered in North East Region	Others
Up to ₹5 Lakhs	1.00 + Risk Premium as per extant guidelines of the Trust	
Above ₹5 Lakhs and up to ₹50 Lakhs	1.35 + Risk Premium as per extant guidelines of the Trust	1.50 + Risk Premium as per extant guidelines of the Trust
Above ₹50 Lakhs and up to ₹200 Lakhs	1.80 + Risk Premium as per extant guidelines of the Trust	
Retail Trade (upto ₹ 100 lakh)	2.00+ Risk Premium as per extant guidelines of the Trust	
*AGF will be charged on the guaranteed amount for the first year and on the outstanding amount for the remaining tenure of the credit facility.		

In case of term loans, AGF would be calculated on outstanding amount as on 31st December against each guarantee account and for working capital, AGF would be calculated on maximum (peak) working capital limit availed by the borrower/enterprise during the previous calendar year.

For cases covered under Hybrid Security Model Guarantee fee will be charged on the guaranteed amount for the first year and on the proportionate outstanding amount subsequently resulting in lower guarantee fee charged to MSEs.

Additional risk premium of 15% will be charged on the applicable rate to MLIs who exceed the payout threshold limit of 2 times more than thrice in last 5 years. This premium will be applicable for all guarantee accounts irrespective of the sanction date.

Modified AGF Structure – Standard Rate (SR)

In case of term loans, AGF would be calculated on outstanding amount as on 31st December against each guarantee account and for working capital, AGF would be calculated on maximum (peak) working capital limit availed by the borrower/enterprise during the previous calendar year.

For cases covered under Hybrid Security Model Guarantee fee will be charged on the guaranteed amount for the first year and on the proportionate outstanding amount subsequently resulting in lower guarantee fee charged to MSEs.

Additional risk premium of 15% will be charged on the applicable rate to MLIs who exceed the payout threshold limit of 2 times more than thrice in last 5 years. This premium will be applicable for all guarantee accounts irrespective of the sanction date.

For cases sanctioned prior to April 01, 2018, the ASF/ AGF will continue to be charged on the guaranteed amount as per the details in the table given below:

Guarantees sanctioned up to 31/12/2012	Credit Facility			Upfront Guarantee Fee (%)		Annual Service Fee (%)	Fixed Rates (GF and ASF) (CGTMSE Cir . No.45 / 2007-08 dated March 03, 2008)	
				North East Region (incl.Sikkim)				Others
	Upto ₹ 5 lakh			0.75				1.00
	Above ₹5 lakh to ₹50 lakh			0.75				1.50
Above ₹50 lakh to ₹100 lakh			1.50		1.50	0.75		
Guarantee sanctioned on or after 01/01/2013	Composite all-in Guarantee Fee as under :-							Standard Rates (AGF) (CGTMSE Cir . No. 62/2012-13 dated October 10,2012)
	Credit Facility		Annual Guarantee Fee (AGF) [% p.a.]					
			women, Micro Enterprise and Units in North East Region (incl. Sikkim)		Others			
Upto ₹5 lakh		0.75		1.00				
Above ₹5 lakh and upto ₹100 lakh		0.85		1.00				

Guarantees sanctioned after 01/04/2016	Annual Guarantee Fee (AGF) [% p.a.] + Risk Premium (RP)		Standard Rates (AGF) + Risk Premium (CGTMSE Circular 107 / 2015-16 Dated January 28, 2016)	
	Credit Facility	Women, Micro Enterprises and units in North East Region (incl. Sikkim)		Others
		Upto ₹5 lakh		0.75+RP
Above ₹5 lakh and upto ₹100 lakh	0.85+RP	1.00+RP		

- To promote and encourage small entrepreneurs, the Bank bears the upfront Guarantee fee/ Annual Service Fee on prescribed rates in all eligible cases availing credit limit up to Rs.5.0 lakh.
- For the credit facilities sanctioned after April 01, 2016 ASF/AGF will be charged at differential rates depending upon NPA levels/ Claim Payout ratio of Bank.

Extent of Guarantee Coverage: The Trust shall provide Guarantee as under for cases sanctioned on or after April 01, 2018:

Modified Extent of Guarantee Coverage

Category	Maximum extent of Guarantee where credit facility is		
	Upto ₹ 5 lakh	Above ₹ 5 lakh & upto ₹ 50 lakh	Above ₹ 50 lakh & upto ₹ 200 lakh
Micro Enterprises	85% of the amount in default subject to a maximum of ₹4.25 lakh	75% of the amount in default subject to a maximum of ₹ 37.50 lakh	75% of the amount in default subject to a maximum of ₹150 lakh

Women entrepreneurs/ Units located in North East Region (incl. Sikkim) (other than credit facility upto ₹ 5 lakh to micro enterprises)	80% of the amount in default subject to a maximum of ₹ 40 lakh	
MSE Retail Trade (upto ₹100 lakh)	50% of the amount in default subject to a maximum of ₹ 50 lakh.	
All other eligible category of borrowers	75% of the amount in default subject to a maximum of ₹150 lakh.	

All proposals for sanction of guarantee approvals for credit facilities above ₹50 lakh upto ₹200 lakh will have to be rated internally by the Branches/ZOs and should be of investment grade. There is increase in the coverage of the eligible credit limit per borrower under the CGS from ₹100 lakh to ₹200 lakh extended by Scheduled Commercial Banks and select Financial Institutions to the units in Micro and Small Enterprises (MSEs) for proposals Sanctioned by the ZOs on or after January 01, 2017. The enhancements in existing guarantee cover beyond ₹100 lakh in respect of working capital facilities, where such enhancements are approved on or after January 01, 2017, would also be eligible for the enhanced coverage up to ₹200 lakh provided the proposal meets the guidelines of CGS.

The guarantee cover will commence from the guarantee start date and shall run through the agreed tenure of the term credit in respect of term credit / composite credit. Where working capital alone is extended to the eligible borrower, the guarantee cover shall be for a period of 5 years renewable for 5 years subject to review by CGTMSE or for such period as may be specified by the trust in this behalf.

Extent of guarantee already existing **for cases sanctioned prior to April 01, 2018** would continue to apply as per the details in the table given below:

<p>Guarantees approved on or after 16/12/2013</p> <p>(CGTMSE Cir. Lt. No. 70 / 2013- 14 dated December 16, 2013)</p>	Maximum extent of Guarantee where credit facility is			
	Category	Upto ₹5 lakh	Above ₹ 5 lakh & upto ₹ 50 lakh	Above ₹ 50 lakh & upto ₹200 lakh
	Micro Enterprises	85%of the amount in default subject to a maximum of ₹ 4.25 lakh	75% of the amount in default subject to a maximum of ₹ 37.50 lakh	50% of the amount in default subject to a maximum of ₹ 100 lakh
	Women entrepreneurs/ Units located in North East Region (incl. Sikkim) (other than credit facility upto ₹ 5 lakh to micro enterprises)	80% of the amount in default subject to a maximum of ₹ 40 lakh		
All other eligible category of borrowers	75% of the amount in default subject to a maximum of ₹ 37.50 lakh.			
<p>Guarantees sanctioned on or after 02/01/2009</p> <p>(CGTMSE Cir. Lt. No. 51 / 2008- 09 dated January 16,2009)</p>	Maximum extent of Guarantee where credit facility is			
	Category	Upto ₹ 5 lakh	Above ₹ 5 lakh & upto ₹ 50 lakh	Above ₹ 50 lakh & upto ₹ 200 lakh
	Micro Enterprises	85%of the amount in default subject to a maximum of ₹ 4.25 lakh	75% of the amount in default subject to a maximum of ₹ 37.50 lakh	Rs.37.50 lakh plus 50% of amount in default above Rs.50 lakh subject to overall ceiling of Rs.62.50 lakh
Women entrepreneurs/ Units located in North East Region (incl. Sikkim)	80% of the amount in default subject to a maximum of ₹ 40 lakh		Rs.40 lakh plus 50% of amount in default above Rs. 50 lakh subject to overall ceiling of Rs. 65 lakh.	

(other than credit facility upto ₹ 5 lakh to micro enterprise)		
All other eligible category of borrowers	75% of the amount in default subject to a maximum of ₹ 37.50 lakh.	Rs. 37.50 lakh plus 50% of amount in default above Rs. 50 lakh subject to overall ceiling of Rs.62.52 lakh

Note:- Guidelines regarding CGTMSE issued vide HO:PS Circular No. 570 dated 15.04.2020.

7.5 Technology Upgradation Fund Scheme-Textile Sector:

The Government of India (GoI), Ministry of Textiles (MoT), introduced Technology Upgradation Fund Scheme (TUFS) for Textile and Jute Industries on April 1, 1999, for a period of 5 years, subsequently extended by 3 years to cover sanctions up to March 31, 2007. The Scheme has been modified w.e.f. April 1, 2007, for a period of 5 years i.e. to last till FY 2011-12. However, the Scheme was discontinued from June 29, 2010 till April 27, 2011 and loans sanctioned during the said period to the textile units were not covered under the Scheme.

The Scheme was re-launched w.e.f. April 28, 2011 as Restructured-TUFS (i.e. R-TUFS) initially for the period upto March 31, 2012, which was further, continued till March 31, 2013. Taking note that the scheme in its R-TUFS form was extended for the first year of the 12th plan i.e. upto 31.03.2013, GoI continued the TUFS as Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) w.e.f April 1, 2013 to March 31, 2017. Ministry of Textiles vide Order no. 6/5/2016-TUFS has introduced the Amended Technology Upgradation Fund Scheme (ATUFS). Financial and operational parameters and implementation mechanism for ATUFS during its implementation period from 13.01.2016 to 31.03.2022.

Objective:- In order to promote ease of doing business in the country and achieve the vision of generating employment and promoting exports through “Make in India” with Zero effect and Zero defect” in manufacturing, it has been decided that the Government would provide Credit Linked Capital Investment Subsidy (CIS) under Amended Technology Upgradation Fund Scheme (ATUFS). The scheme would facilitate augmenting of investment, productivity, quality, employment; exports along with import

substitution in the textile industry. It will also indirectly promote investment in textile machinery with benchmarked technology.

i.) Scope of the Scheme: - ATUFS benefit is available for the benchmarked machinery under the scheme covering the following activities:-

- (a) Weaving, Weaving Preparatory Knitting.
- (b) Processing of fibres, yarns, fabrics, garments and made ups
- (c) Technical Textiles
- (d) Garment/made-up manufacturing
- (e) Handloom sector
- (f) Silk sector
- (g) Jute Sector

ii.) Amended Technology Up-Gradation Fund Scheme(A-TUFS) features:- Every eligible individual entity will be paid Capital Investment Subsidy(CIS) only under ATUF Scheme, on the eligible investment, as per the rates and the overall subsidy cap as under:-

- a. Garment, Technical Textiles-15% on eligible machineries with maximum of Rs.30 crore.
- b. Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), processing, Jute, Silk and Handloom-15% on eligible machineries with maximum of Rs.20 Crore.
- c. Composite unit/Multiple Segments-If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost-15% on eligible Machines with maximum of Rs.30 Crore.
- d. Composite unit/Multiple Segments-If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50% of the eligible project cost-10% on eligible Machines with maximum of Rs.20 Crore.

In case the applicant had availed subsidy earlier under RR-TUFS, the applicant will be eligible for only the balance amount within the overall ceiling fixed for an individual entity. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted as indicated above for respective segment.

Processing of Application: - Beneficiaries can apply online through “i-TUFS” software and submit the application to the respective Branch. The Branch forward the application online to their respective Regional office of Textile Commissioner after verification of documents submitted by beneficiary.

Subsidy Norms:- The capital investment under ATUFS will be released in full in one go on eligible investment, only after satisfactory installation/commissioning and commencement of production.

Benefits under the scheme shall be available only if the eligible benchmarked machinery is purchased by availing term loan from a notified lending agency.

Subsidy will be provided only in case of investment made with institutional finance. Investment made by availing Buyers Credit, Usance Credit and Sellers Credit will not be eligible for availing benefits under the scheme unless the entire amount is paid up by the beneficiary before claiming the subsidy and concrete documentary proof is produced for the same at the time of Joint Inspection Team (JIT) verification within the prescribed timelines defined in the scheme.

iii.) Monitoring Process: The scheme would be executed/implemented by the Textile Commissioner through its Regional/State Offices. A state/regional level office of the office of Textile Commissioner is being set up in each state which will implement and monitor ATUFS.

The scheme will be administered with a two stage monitoring mechanism i.e by Technical Advisory- cum-Monitoring Committee (TAMC) and Inter-Ministerial Steering Committee (IMSC).

Technical Advisory-Cum Monitoring Committee (TAMC): A Technical Advisory-cum-Monitoring Committee (TAMC) under the Chairpersonship of Textile Commissioner will be constituted with technical experts from the Government and the industry covering the different segments, as members.

Inter-Ministerial Steering Committee (IMSC): An IMSC will be constituted under the Chairpersonship of Minister of Textiles with the representatives of the Ministry of Finance (Deptt. Of Expenditure and Deptt. Of Financial Services), Deptt. of Heavy Industry, Deptt. Of Commerce, Deptt. Of Industrial Policy & Promotion, NITI Aayog, selected lending agencies, Textile Industry Associations etc. IMSC would be responsible for monitoring and formulation of guidelines for effective implementation of

the scheme in accordance with the Cabinet Committee on Economic Affairs (CCEA)'s approval.

The salient features of the scheme are circulated by the Bank from time to time and the detailed guidelines can be accessed through

http://www.txcindia.gov.in/html/Guidelines_of_ATUFS_.pdf

7.6 TReDS (TRADE RECEIVABLES DISCOUNTING SYSTEM)

In India, MSMEs are a thrust segment attending to national objectives of providing employment to local population, enterprise development and inclusive growth with equity. While MSMEs are resilient and adaptive to challenges, their problem to convert trade receivables timely into liquid funds restricts their growth potential. In order to step up efforts to address this issue in a more efficient way, RBI has taken steps to establish Trade Receivables Discounting System (TReDS) platform for financing trade receivables of MSMEs.

TReDS Platform (Trade Receivables Discounting System) is an institutional mechanism set up for financing of trade receivables of MSMEs from corporate and other buyers including Government Departments and Public Sector Undertakings (PSUs) through multiple financiers. RBI issued the guidelines on 02 July 2014 under Sec 10(2) read with Sec 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).

In the first phase, TReDS would facilitate the discounting of factoring units by the financiers (Primary Market). In the second phase, TReDS would enable further discounting / re-discounting of the discounted factoring units by the financiers (Secondary Market), thus resulting in assignment in favour of other financiers. Hence, as an interim approach, this policy on TReDS will cover the different aspects on the discounting of factoring units by the financiers only.

Bank's Objective:

Bank finds a new business opportunity which is arising out of fast expansion of Fintech products by participating in TReDS exchange. It is expected that Bank will be benefitted from System driven, transparent and paperless process in TReDS along with reduced administrative cost.

- Participation in TReDS will help Bank in managing liquidity prudently by lending and augmenting interest income.

- Loans by factoring through approved exchange will be classified as PRIORITY SECTOR loan thus facilitating increase of PRIORITY SECTOR loan portfolio of the Bank.
- Compliance to statutory directives.

Eligible Participants/ Stake holders in TReDS exchange:

MSME Sellers	<ul style="list-style-type: none"> ➤ Should be an MSME enterprise as per the eligibility criteria under the definition of MSME Act, 2006. ➤ Should be in existing business for a minimum period as decided by business rules of individual exchanges in line with RBI directives at the time of submission of application for registration on the TReDS platform.
Buyers	<ul style="list-style-type: none"> ➤ Corporate and other buyers including Government Departments and Public Sector Undertaking and such other entities as may be permitted by the Reserve Bank of India (“RBI”) from time to time to participate on the TReDS platform as Buyers. ➤ Should be in existing business for a minimum period as decided by business rules of individual exchanges in line with RBI directives at the time of submission of application for registration on the TReDS platform.
Financiers	<ul style="list-style-type: none"> ➤ Banks, Non-banking Financial Company – Factors and such other institutions as may be permitted by RBI from time to time to participate on the TReDS platform as Financiers.

7.7 PSB loans in 59minutes:

Govt. of India launched a transformative initiative in MSME credit space by launching portal www.psbloansin59minutes.com. This web portal is enabled for in principle approval for MSME loans having value minimum of Rs.1.00 Lacs and maximum up to Rs.5.00 Crore within 59 minutes. The Portal sets a new benchmark in loan processing and reduces the turnaround time. Subsequent to this in-principle approval, the loan is required to be sanctioned & disbursed in 7-8 working days

The contactless module process is a straight through process, which involves making use of machine based analytics (ITR, Bank statement, GST, Aadhaar based KYC,

credit model etc.) to help lenders take informed decision within 59 minutes, thus reducing the turnaround time for in-principle sanction. The borrower can procure in principle sanction (after providing consent to share requisite information) which is then to be followed by visits / due diligence and physical verification of credentials. The process from in principle sanction stage to disbursement of loan is taken care by respective banks.

The platform presents an attractive opportunity for public sector banks to adapt the solutions for their requirements and improve their processes. With adoption of contactless lending platform, the time between an application, sanction and disbursement would be reduced significantly. Accordingly, all Banks have been on boarded on the platform and on-boarding of MSME customers is required for according in-principle approval. Customers can also onboard through Market place URL i.e. <https://www.psbloansin59minutes.com> through which Customer has to opt for bank of their choice.

REGISTRATION PROCESS FOR MSMEs

- (i) The form for registration shall be as provided in the Udyam Registration portal.
- (ii) There will be no fee for filing Udyam Registration.
- (iii) Aadhaar number shall be required for Udyam Registration.
- (iv) The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a karta in the case of a Hindu Undivided Family (HUF).
- (v) In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organisation or its authorised signatory shall provide its GSTIN and PAN along with its Aadhaar number.
- (vi) In case an enterprise is duly registered as an Udyam with PAN, any deficiency of information for previous years when it did not have PAN shall be filled up on self-declaration basis.
- (vii) No enterprise shall file more than one Udyam Registration:

Provided that any number of activities including manufacturing or service or both may be specified or added in one Udyam Registration.
- (viii) Whoever intentionally misrepresents or attempts to suppress the self-declared facts and figures appearing in the Udyam Registration or updation process shall be liable to such penalty as specified under section 27 of the Act.

2.1.8 Registration of existing enterprises

- (i) All existing enterprises registered under EM–Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st day of July, 2020.
- (ii) All enterprises registered till 30th June, 2020, shall be re-classified in accordance with this notification.
- (iii) The existing enterprises registered prior to 30th June, 2020, shall continue to be valid only for a period up to the 31st day of March, 2021.
- (iv) An enterprise registered with any other organisation under the Ministry of Micro, Small and Medium Enterprises shall register itself under Udyam Registration.

2.1.9 Updation of information and transition period in classification

- (i) An enterprise having Udyam Registration Number shall update its information online in the Udyam Registration portal, including the details of the ITR and the GST Return for the previous financial year and such other additional information as may be required, on self- declaration basis.
- (ii) Failure to update the relevant information within the period specified in the online Udyam Registration portal will render the enterprise liable for suspension of its status.
- (iii) Based on the information furnished or gathered from Government's sources including ITR or GST return, the classification of the enterprise will be updated.
- (iv) In case of graduation (from a lower to a higher category) or reverse-graduation (sliding down to lower category) of an enterprise, a communication will be sent to the enterprise about the change in the status.
- (v) In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise will maintain its prevailing status till expiry of one year from the close of the year of registration.
- (vi) In case of reverse-graduation of an enterprise, whether as a result of re-classification or due to actual changes in investment in plant and machinery or equipment or turnover or both, and whether the enterprise is registered under the Act or not, the enterprise will continue in its present category till the closure of the financial year and it will be given the benefit of the changed status only with effect from 1st April of the financial year following the year in which such change took place

2.1.10 Facilitation and grievance redressal of enterprises

- (i) The Champions Control Rooms functioning in various institutions and offices of the Ministry of Micro, Small and Medium Enterprises including the Development Institutes (MSME-DI) shall act as Single Window Systems for facilitating the registration process and further handholding the micro, small and medium enterprises in all possible manner.
- (ii) The District Industries Centres (DICs) will also act as Single Window facilitation Systems in their Districts.
- (iii) Any person who is not able to file the Udyam Registration for any reason including for

lack of Aadhaar number, may approach any of the above Single Window Systems for Udyam Registration purposes with his Aadhaar enrolment identity slip or copy of Aadhaar enrolment request or bank photo pass book or voter identity card or passport or driving licence and the Single Window Systems will facilitate the process including getting an Aadhaar number and thereafter in the further process of Udyam Registration.

- (iv) In case of any discrepancy or complaint, the General Manager of the District Industries Centre of the concerned District shall undertake an enquiry for verification of the details of Udyam Registration submitted by the enterprise and thereafter forward the matter with necessary remarks to the Director or Commissioner or Industry Secretary concerned of the State Government who after issuing a notice to the enterprise and after giving an opportunity to present its case and based on the findings, may amend the details or recommend to the Ministry of Micro, Small or Medium Enterprises, Government of India, for cancellation of the Udyam Registration Certificate

ANNEXURE B**MANAGEMENT INFORMATION SYSTEM**

Priority Sector Department has to submit following reports related to MSME to Regulatory authorities in regular interval:-

- (i) Progress of MSME Sector (Monthly)
- (ii) Statements of Credit Flow to MSME sector (Quarterly).
- (iii) Flow of Credit to MSME Statement relating to collateral free loans and composite loans (Quarterly)
- (iv) Statement on Framework for Revival & Rehabilitation of MSMEs (Half Yearly)
- (v) Statement of Advances in Clusters as per Cluster Approach- (Half Yearly).
- (vi) Statement on Framework for Revival & Rehabilitation of MSMEs (Half Yearly).
- (vii) Statement on Specialized SME Branches Return (Yearly)

For proper classification and reporting of MSME accounts, following Sector codes are to be entered in “V” detail while opening/modifying (OAAC/ACM) an account.

The Sector Codes which classify MSME are as under: -

Non-Forex Accounts	
Sector Code	Description
131	MICRO (SRV)–TRANSPORT
132	SMALL (SRV)–TRANSPORT
133	MICRO (SRV)–OTHERS
134	SMALL (SRV)–OTHERS
135	MICRO (SRV)–SMALL BUSINES
136	MICRO (SRV)–RETAIL TRADE
137	SMALL (SRV)–RETAIL TRADE
138	MICRO & SMALL(SRV)–INDIRECT
139	MEDIUM (SRV)–PS
141	MEDIUM (MFG) – PS
143	KVI/COTT/ARTISAN/TINY IND
144	SMALL (MFG)–INDIRECT
145	MICRO (MFG)–INDIRECT
148	MICRO (MFG) ENTERPRISES
149	SMALL (MFG) ENTERPRISES

For Forex Accounts	
Sector Code	Description
301	PACKING CREDIT(PS)–FEX
302	SHIPPING LOAN(PS)–FEX
303	ABLC(PS)–FEX
304	OD AGT BANK DEP(PS)–FEX
305	IPRS(PS)–FEX
306	D.D.B.(PS)–FEX
307	CLEAN O.D.(PS)–FEX
308	CASH CREDIT(PS)–FEX
309	SUIT FILED (PS)–FEX
310	DECREED (PS)–FEX
312	L.A.P.(PS)–FEX
313	LAOS(PS)–FEX
314	CLEAN LOANS(PS)–FEX
316	F.A.B.C.(PS)–FEX
317	F.O.B.L.C.(PS)–FEX
318	F.O.B.P.(PS)–FEX
319	F.O.U.B.P.(PS)–FEX
320	F.O.B.P.CLEAN(PS)–FEX
321	INLAND BILLS(PS)–FEX

For Sub-Classification of MSME (Micro/Small/Medium), a separate menu option “**MSMECLAS**” has been created. Correct data is to be entered as per the latest Balance sheet of the Firm/Company so that classification of MSME be marked correctly.

ANNEXURE- C**INDICATIVE LIST OF ACTIVITIES CONSIDERED AS SERVICES:**

1. Small road & water transport operators
2. Small business
3. Professional & Self-employed persons
4. Consultancy Services including Management Services
5. Renting of Agricultural machinery
6. Composite Broker Services in Risk & Insurance Management
7. Third party administration (TPA) Services for medical insurance claims of policy holders
8. Seed Grading Services
9. Training cum-Incubator centre
10. Educational Institutions
11. Training Institutes
12. Retail Trade
13. Practice of Law i.e. legal Services
14. Training in medical instruments (brand new)
15. Placement and management consultancy services
16. Advertising agency and Training centers
17. Sanitation Services (Hiring of Septic Tank Cleaner)
18. Clinical / Pathological Laboratories and scanning, MRI Tests
19. Hospitals
20. Restaurants with Bar
21. Canteens
22. Hotels
23. Motel Industry
24. Development of Software and providing Software Services.
25. Publishing
26. Advertising Agencies
27. Marketing Consultancy
28. Industrial Consultancy
29. Equipment Rental & Leasing
30. Typing Centres
31. Photocopying centres (Xeroxing)
32. Industrial Photography

33. Industrial R&D Labs
34. Industrial Testing Labs
35. Desk Top Publishing
36. Internet Browsing/ Setting up of Cyber Cafes
37. Auto Repair, Services and Garages
38. Documentary Films on themes like family planning, social forestry, energy conservation and commercial advertising
39. Laboratories engaged in testing of raw materials, finished products
40. 'Servicing Industry' Undertakings engaged in maintenance, repair, testing or servicing of all types of vehicles & machinery of any description including electronic/electrical equipment/instruments, i.e., measuring/control instruments, televisions, tape recorders, VCRs, radios, transformers, motors, watches, etc.
41. Laundry & Dry-cleaning
42. X-Ray Clinic
43. Tailoring
44. Servicing of Agricultural Farm equipment, e.g., Tractor, Pump, Rig, Boring Machines, etc.
45. Weigh Bridge
46. Photographic Lab
47. Blue printing and enlargement of drawing/designs facilities
48. ISD/STD Booths
49. Teleprinter/FAX services
50. Sub-contracting Exchanges (SCXs) established by Industry Associations
51. EDP Institutes established by Voluntary Associations/ Non-Government Organisations
52. Coloured, and Black and White Studios equipped with processing laboratory
53. Ropeways in hilly areas
54. Installation and operation of Cable TV Network
55. Operating EPABX under franchises
56. Beauty Parlours and Creches
57. Nursing Home / clinics
58. Courier Services
59. Architecture designers
60. Events Management
61. Catering
62. Gems & Jewellery designing.

63. Retreading of Tyre
64. Infrastructure & Real Estate Activities
65. Power (Electrical) Distribution Service

INDICATIVE LIST OF ACTIVITIES CONSIDERED AS MANUFACTURING:

1. Chewing Items Like Pan Masala etc.
2. Made Up Textile Articles
3. Jute, mesta, hemp and other vegetable fibre products such as ropes, cordage, twine, etc.(excluding coir)
4. Shawls, Blankets, Carpets
5. Wearing Apparel Readymade
6. Khadi Garments
7. Dressing And Dyeing Of Fur, Manufacture
8. Leather Footwear
9. All Other Types Of Footwears
10. Plup, Paper And Paper Boards
11. Newsprint
12. Corrugated Paper And Paper Board
13. Coke Or Coke Oven Product
14. Refined Petroleum Product
15. Basic Chemicals except fertilizers and nitrogen compounds
16. Turpentine And Resins Of vegetable origins
17. Fertilizers And Nitrogen Compounds
18. Plastic In Primary Form of synthetic Rubber
19. Pesticides And Other Agro Chemical Products
20. Paints, Varnishes And similar coatings, printing ink and mastics
21. All Types Of Pharmaceuticals
22. Soaps of all type, waxes & polishes, organic surface active agents (surfactants)
23. Matches And Fireworks, Explosives, Ammunitions
24. Non-Edible Oils: Manufacture Of Essential Oils
25. Photochemical, Sensitised Films and Papers
26. Gelatin And Its Derivatives
27. Man-Made Fibres
28. Rubber Tyres, Tubes,

29. Other Rubber Products
30. Plastic Products
31. Fibre Glass And Products
32. Glass And Glass Products
33. Non Structural Non-Refractory Ceramic Ware
34. Cement, Lime And Plaster
35. Articles Of Concrete, Cement and Plaster
36. Mica and Mica Products
37. Basic Iron And Steel
38. Basic Precious And Non-Ferrous Metals
39. Structural Metal Products
40. Refrigerators Or Freezing Equipments
41. tractors, harvesters and other heavy machinery for use in agricultural and forestry
42. Machine Tools
43. Machinery (and parts) for mining, quarrying and construction
44. Machinery For Food
45. machinery for textile, apparel and leather production
46. light agricultural and forestry machinery and equipment including forage press: ploughs, harrows, weeders, hoes
47. Machinery For Metallurgy
48. Weapons And Ammunition
49. Other Special Purpose Machinery
50. All Type Of Domestic Appliances
51. Computer, Printers And Other Computer Peripherals
52. Office, Accounting And Computing Machinery
53. Electric Motors, Generators and transformers
54. Electricity Distribution and control Apparatus
55. Insulated Wire And Cable
56. Accumulators, Primary Cells and Primary batteries
57. Electric Lamps And Lighting Equipment
58. Other Electrical Equipements
59. Electronic Valves And Tubes
60. Medical And Surgical Equipments
61. Optical Instruments And Photographic Equipments

62. Watches And Clocks
63. Bodies For Motor Vehicles
64. Parts And Accessories For Motor vehicles
65. Railway And Tramway Locomotives
66. Aircraft And Spacecraft
67. Motorcycles, Mopeds, Scooters
68. Bicycles, Cycle Rickshaws
69. Furniture & fixtures made of wood, cane , reed metal, plastic etc.
70. Jewellery And Related Art
71. Musical Instruments
72. Sports And Athletic Goods
73. Games And Toys
74. Stationery Articles
75. Imitation jewellery, brooms and brushes; floor sweepers, mops; feather dusters; paint pads and rollers etc.; umbrellas, sun umbrellas, walking sticks, seat sticks, whips, riding crops, buttons, press fasteners, snap fasteners, press studs and slide fasteners; articles of personal use: smoking pipes; combs, hair slides and similar articles; cigarette lighters; vacuum flasks and other vacuum vessels for household use; articles of human hair and other articles of personal use.
76. Linoleum And Hard Surface Floor Coovering
77. Gas Distribution Of Gaseous Fuels through Mains
78. Cotton Ginning
79. Power Generation by conventional as well as by non- conventional processes.

List of MSME Clusters in India (identified by UNIDO)

ANNEXURE- D

S. No.	State	District	Location	Product
1	Andhra Pradesh	Anantpur	Rayadurg	Readymade Garments
2	Andhra Pradesh	Anantpur	Chitradurg	Jeans Garments
3	Andhra Pradesh	Chittoor	Nagari	Powerloom
4	Andhra Pradesh	Chittoor	Ventimalta, Srikalahasti, Chundur	Brass Utensils
5	Andhra Pradesh	East Godavari	East Godavari	Rice Mills
6	Andhra Pradesh	East Godavari	Rajahmundry	Graphite Crucibles
7	Andhra Pradesh	East Godavari	East Godavari	Coir & Coir Products
8	Andhra Pradesh	East Godavari	Rajahmundry	Aluminium Utensils
9	Andhra Pradesh	East Godavari & West Godavari	East Godavari (EG) & West Godavari	Refractory Products
10	Andhra Pradesh	Guntur	Guntur	Powerloom
11	Andhra Pradesh	Guntur	Guntur	Lime Calcination
12	Andhra Pradesh	Guntur	Macherla	Wooden Furniture
13	Andhra Pradesh	Hyderabad	Hyderabad	Ceiling Fan
14	Andhra Pradesh	Hyderabad	Hyderabad	Electronic Goods
15	Andhra Pradesh	Hyderabad	Hyderabad	Pharmaceuticals- Bulk Drugs
16	Andhra Pradesh	Hyderabad	Musheerabad	Leather Tanning
17	Andhra Pradesh	Hyderabad	Hyderabad	Hand Pumpsets
18	Andhra Pradesh	Hyderabad	Hyderabad	Foundry
19	Andhra Pradesh	Karimnagar	Sirsilla	Powerloom
20	Andhra Pradesh	Krishna	Machilipatnam	Gold Plating & Imitation Jewellery

S. No.	State	District	Location	Product
21	Andhra Pradesh	Krishna	Vijayawada	Rice Mills
22	Andhra Pradesh	Krishna	Chundur, Kavadiguda, Charminar, Vijayawada	Steel Furniture
23	Andhra Pradesh	Kurnool	Adoni	Oil Mills
24	Andhra Pradesh	Kurnool	Kurnool	Artificial Diamonds
25	Andhra Pradesh	Kurnool, Cuddapah	Kurnool(Banaganapalle, Bethamcheria, Kolimigundla) Cuddapah	Polished Slabs
26	Andhra Pradesh	Prakasam	Markapuram	Stone Slate
27	Andhra Pradesh	Ranga Reddy	Balanagar, Jeedimetla & Kukatpally	Machine Tools
28	Andhra Pradesh	Srikakulam	Palasa	Cashew Processing
29	Andhra Pradesh	Visakhapatnam,East Godavari	Visakhapatnam, Kakinada	Marine Foods
30	Andhra Pradesh	Warangal	Warangal	Powerloom
31	Andhra Pradesh	Warangal	Warangal	Brassware
32	Andhra Pradesh	West Godavari	West Godavari	Rice Mills
33	Bihar	Begusarai	Barauni	Engineering & Fabrication
34	Bihar	Muzzafarpur	Muzzafarpur	Food Products
35	Bihar	Patna	Patna	Brass and German Silver Utensils
36	Chhattisgarh	Durg, Rajnandgaon, Raipur	Durg, Rajnandgaon, Raipur	Steel Re-rolling
37	Chhattisgarh	Durg, Raipur	Durg, Raipur	Castings & Metal Fabrication
38	Delhi	North West Delhi	Wazirpur, Badli	Stainless Steel Utensils & Cutlery
39	Delhi	South & West Delhi	Okhla, Mayapuri	Chemicals

S. No.	State	District	Location	Product
40	Delhi	West & South	Naraina & Okhla	Electrical Engineering Equipment
41	Delhi	West & South	Naraina & Okhla	Electronic Goods
42	Delhi	North Delhi	Lawrence Road	Food Products
43	Delhi	South Delhi	Okhla, Wazirpur Flatted Factories Complex	Leather Products
44	Delhi	South, West Delhi	Okhla, Mayapuri, Anand Parbat	Mechanical Engineering Equipment
45	Delhi	West, South, East Delhi	Naraina, Okhla, Patparganj	Packaging Material
46	Delhi	West & South	Naraina & Okhla	Paper Products
47	Delhi	West & South	Naraina Udyog Nagar & Okhla	Plastic Products
48	Delhi	West, South, North West	Naraina, Okhla, Shivaji Marg, Najafgarh Road	Rubber Products
49	Delhi	North East Delhi	Shahadara & Vishwasnagar	Wire Drawing
50	Delhi	West & North West	Mayapuri & Wazirpur	Metal Fabrication
51	Delhi	West & North East	Kirtinagar & Tilak Nagar	Furniture
52	Delhi	North West Delhi	Wazirpur	Electro Plating
53	Delhi	South, West, North West & North West	Okhla, Mayapuri, Naraina, Wazirpur Badli & G.T. Karnal Road	Auto Components
54	Delhi	North East Delhi, East Delhi & South	Shahdara, Gandhinagar, Okhla & Maidangari	Hosiery
55	Delhi	South & North East	Okhla & Shahdara	Readymade Garments
56	Delhi	South Delhi	Okhla	Sanitary Fittings
57	Gujarat	Ahmedabad	Ahmedabad	Pharmaceuticals
58	Gujarat	Ahmedabad	Ahmedabad	Dyes & Intermediates

S. No.	State	District	Location	Product
59	Gujarat	Ahmedabad	Ahmedabad	Moulded Plastic Products
60	Gujarat	Ahmedabad	Ahmedabad	Readymade Garments
61	Gujarat	Ahmedabad	Ahmedabad	Textile Machinery Parts
62	Gujarat	Ahmedabad	Ahmedabad, Dhanduka	Diamond Processing
63	Gujarat	Ahmedabad	Ahmedabad	Machine Tools
64	Gujarat	Ahmedabad	Ahmedabad	Castings & Forging
65	Gujarat	Ahmedabad	Ahmedabad	Steel Utensils
66	Gujarat	Ahmedabad	Ahmedabad	Wood Product & Furniture
67	Gujarat	Ahmedabad	Ahmedabad	Paper Products
68	Gujarat	Ahmedabad	Ahmedabad	Leather Footware
69	Gujarat	Ahmedabad	Ahmedabad	Washing Powder & Soap
70	Gujarat	Ahmedabad	Ahmedabad	Marble Slabs
71	Gujarat	Ahmedabad	Ahmedabad	Power Driven Pumps
72	Gujarat	Ahmedabad	Ahmedabad	Electronic Goods
73	Gujarat	Ahmedabad	Ahmedabad	Auto Parts
74	Gujarat	Amreli	Savarkundla	Weights & Measures
75	Gujarat	Amreli, Juna Garh, Rajkot	Amreli Juna Garh Rajkot belt	Oil Mills Machinery
76	Gujarat	Bhavnagar	Alang	Ship Breaking
77	Gujarat	Bhavnagar	Bhavnagar	Steel Re-rolling
78	Gujarat	Bhavnagar	Bhavnagar	Machine Tools
79	Gujarat	Bhavnagar	Bhavnagar	Plastic Processing
80	Gujarat	Bhavnagar	Bhavnagar	Diamond Processing
81	Gujarat	Gandhinagar	Kalol	Powerloom

S. No.	State	District	Location	Product
82	Gujarat	Jamnagar	Jamnagar	Brass Parts
83	Gujarat	Jamnagar	Jamnagar	Wood Product & Furniture
84	Gujarat	Mahesana	Vijapur	Cotton Cloth Weaving
85	Gujarat	Rajkot	Dhoraji, Gondal, Rajkot	Oil Mills
86	Gujarat	Rajkot	Jetpur	Textile Printing
87	Gujarat	Rajkot	Morvi & Wankaner	Flooring Tiles(Clay)
88	Gujarat	Rajkot	Morvi	Wall Clocks
89	Gujarat	Rajkot	Rajkot	Diesel Engines
90	Gujarat	Rajkot	Rajkot	Electric Motors
91	Gujarat	Rajkot	Rajkot	Castings & Forging
92	Gujarat	Rajkot	Rajkot	Machine Tools
93	Gujarat	Rajkot	Rajkot	Diamond Processing
94	Gujarat	Surat	Surat, Choryasi	Diamond Processing
95	Gujarat	Surat	Surat	Powerloom
96	Gujarat	Surat	Surat	Wood Product & Furniture
97	Gujarat	Surat	Surat	Textile Machinery
98	Gujarat	Surendranagar	Surendranagar & Thangadh	Ceramics
99	Gujarat	Surendranagar	Chotila	Sanitary Fittings
100	Gujarat	Vadodara	Vadodara	Pharmaceuticals- Bulk Drugs
101	Gujarat	Vadodara	Vadodara	Plastic Processing
102	Gujarat	Vadodara	Vadodara	Wood Product & Furniture
103	Gujarat	Valsad	Pardi	Dyes & Intermediates
104	Gujarat	Valsad/ Bharuc	Vapi/Ankleshwar	Chemicals

S. No.	State	District	Location	Product
105	Gujarat	Valsad/ Bharuc	Vapi/Ankleshwar	Pharmaceuticals- Bulk Drugs
106	Goa	South Goa	Margao	Pharmaceutical
107	Haryana	Ambala	Ambala	Mixies & Grinders
108	Haryana	Ambala	Ambala	Scientific Instruments
109	Haryana	Bhiwani	Bhiwani	Powerloom
110	Haryana	Bhiwani	Bhiwani	Stone Crushing
111	Haryana	Faridabad	Faridabad	Auto Components
112	Haryana	Faridabad	Faridabad	Engineering Cluster
113	Haryana	Faridabad	Faridabad	Stone Crushing
114	Haryana	Gurgaon	Gurgaon	Auto Components
115	Haryana	Gurgaon	Gurgaon	Electronic Goods
116	Haryana	Gurgaon	Gurgaon	Electrical Engineering
117	Haryana	Gurgaon	Gurgaon	Readymade Garments
118	Haryana	Gurgaon	Gurgaon	Mechanical Engineering Equipment
119	Haryana	Kaithal	Kaithal	Rice Mills
120	Haryana	Karnal	Karnal	Agricultural Implements
121	Haryana	Karnal, Kurukshetra, Panipat	Karnal, Kurukshetra, panipat	Rice Mills
122	Haryana	Panchkula	Pinjore	Engineering Equipment
123	Haryana	Panchkula	Panchkula	Stone Crushing
124	Haryana	Panipat	Panipat	Powerloom
125	Haryana	Panipat	Panipat	Shoddy Yarn
126	Haryana	Panipat	Samalkha	Foundry

S. No.	State	District	Location	Product
127	Haryana	Panipat	Panipat	Cotton Spinning
128	Haryana	Rohtak	Rohtak	Nuts/ Bolts
129	Haryana	Yamuna Nagar	Yamuna Nagar	Plywood/Board/Blackboa
130	Haryana	Yamunanagar	Jagadhri	Utensils
131	Himachal Pradesh	Kullu & Sirmaur	Kullu & Sirmaur	Food Processing
132	Himachal Pradesh	Kangra	Damtal	Stone Crushing
133	Himachal Pradesh	Solan	Parwanoo	Engineering Equipment
134	Jammu & Kashmir	Anantnag	Anantnag	Cricket Bat
135	Jammu & Kashmir	Jammu	Jammu	Steel Re-rolling
136	Jammu & Kashmir	Jammu/ Kathua	Jammu/ Kathua	Oil Mills
137	Jammu & Kashmir	Jammu/ Kathua	Jammu/ Kathua	Rice Mills
138	Jammu & Kashmir	Srinagar	Srinagar	Timber Joinery/ Furniture
139	Jharkhand	Sarikela-Kharsawan	Adityapur	Auto Components
140	Jharkhand	East Singhbhum	Jamshedpur	Engineering &
141	Jharkhand	Bokaro	Bokaro	Engineering &
142	Karnataka	Bangalore	Bangalore	Machine Tools
143	Karnataka	Bangalore	Bangalore	Powerloom
144	Karnataka	Bangalore	Bangalore	Electronic Goods
145	Karnataka	Bangalore	Bangalore	Readymade Garments

S. No.	State	District	Location	Product
146	Karnataka	Bangalore	Bangalore	Light Engineering
147	Karnataka	Bangalore	Bangalore	Leather Products
148	Karnataka	Belgaum	Belgaum	Foundry
149	Karnataka	Belgaum	Belgaum	Powerloom
150	Karnataka	Bellary	Bellary	Jeans Garments
151	Karnataka	Bijapur	Bijapur	Oil Mills
152	Karnataka	Dharwad	Hubli, Dharwad	Agriculture Implements and Tractor Trailer
153	Karnataka	Gadag	Gadag Betgeri	Powerloom
154	Karnataka	Gulburga	Gulburga Gadagh belt	Dal Mills
155	Karnataka	Hassan	Arasikara	Coir & Coir Products
156	Karnataka	Mysore	Mysore	Food Products
157	Karnataka	Mysore	Mysore	Silk
158	Karnataka	Raichur	Raichur	Leather Products
159	Karnataka	Shimoga	Shimoga	Rice Mills
160	Karnataka	South Kannada	Mangalore	Food Products
161	Kerala	Alappuzha	Alappuzha	Coir & Coir Products
162	Kerala	Ernakulam	Ernakulam	Rubber Products
163	Kerala	Ernakulam	Ernakulam	Powerloom
164	Kerala	Ernakulam	Kochi	Sea Food Processing
165	Kerala	Kannur	Kannur	Powerloom
166	Kerala	Kollam	Kollam	Coir & Coir Products
167	Kerala	Kottayam	Kottayam	Rubber Products
168	Kerala	Mallappuram	Mallappuram	Powerloom

S. No.	State	District	Location	Product
169	Kerala	Palakkad	Palakkad	Powerloom
170	Kerala		Faizlure	Powerloom
171	Maharashtra	Ahmednagar	Ahmednagar	Auto Components
172	Maharashtra	Akola	Akola	Oil Mills (Cotton seed)
173	Maharashtra	Akola	Akola	Dal Mills
174	Maharashtra	Aurangabad	Aurangabad	Auto Components
175	Maharashtra	Aurangabad	Aurangabad	Pharmaceuticals- Bulk Drugs
176	Maharashtra	Bhandara	Bhandara	Rice Mills
177	Maharashtra	Chandrapur	Chandrapur	Roofing Tiles
178	Maharashtra	Chandrapur	Chandrapur	Rice Mills
179	Maharashtra	Dhule	Dhule	Chilly Powder
180	Maharashtra	Gadchiroli	Gadchiroli	Castings & Forging
181	Maharashtra	Gadchiroli	Gadchiroli	Rice Mills
182	Maharashtra	Gondia	Gondiya	Rice Mills
183	Maharashtra	Jalgaon	Jalgaon	Dal Mills
184	Maharashtra	Jalgaon	Jalgaon	Agriculture Implements
185	Maharashtra	Jalna	Jalna	Engineering Equipment
186	Maharashtra	Kolhapur	Kolhapur	Diesel Engines
187	Maharashtra	Kolhapur	Kolhapur	Foundry
188	Maharashtra	Kolhapur	Ichalkaranji	Powerloom
189	Maharashtra	Mumbai	Mumbai	Electronic Goods
190	Maharashtra	Mumbai	Mumbai	Pharmaceutical - Basic Drugs
191	Maharashtra	Mumbai	Mumbai	Toys (Plastic)

S. No.	State	District	Location	Product
192	Maharashtra	Mumbai	Mumbai	Readymade Garments
193	Maharashtra	Mumbai	Mumbai	Hosiery
194	Maharashtra	Mumbai	Mumbai	Machine Tools
195	Maharashtra	Mumbai	Mumbai	Engineering Equipment
196	Maharashtra	Mumbai	Mumbai	Chemicals
197	Maharashtra	Mumbai	Mumbai	Packaging Material
198	Maharashtra	Mumbai	Mumbai	Handtools
199	Maharashtra	Mumbai	Mumbai	Plastic Products
200	Maharashtra	Nagpur	Nagpur	Powerloom
201	Maharashtra	Nagpur	Nagpur	Engineering & Fabrication
202	Maharashtra	Nagpur	Nagpur	Steel Furniture
203	Maharashtra	Nagpur	Nagpur(Butibori)	Readymade Garments
204	Maharashtra	Nagpur	Nagpur	Handtools
205	Maharashtra	Nagpur	Nagpur	Food Processing
206	Maharashtra	Nanded	Nanded	Dal Mills
207	Maharashtra	Nashik	Malegaon	Powerloom
208	Maharashtra	Nashik	Nashik	Steel Furniture
209	Maharashtra	Pune	Pune	Auto Components
210	Maharashtra	Pune	Pune	Electronic Goods
211	Maharashtra	Pune	Pune	Food Products
212	Maharashtra	Pune	Pune	Readymade Garments
213	Maharashtra	Pune	Pune	Pharmaceuticals- Bulk Drugs
214	Maharashtra	Pune	Pune	Fibre Glass

S. No.	State	District	Location	Product
215	Maharashtra	Ratnagiri	Ratnagiri	Canned & Processed Fish
216	Maharashtra	Sangli	Sangli	M S Rods
217	Maharashtra	Sangli	Madhavanagar	Powerloom
218	Maharashtra	Satara	Satara	Leather Tanning
219	Maharashtra	Sholapur	Sholapur	Powerloom
220	Maharashtra	Sindhudurg	Sindhudurg	Cashew Processing
221	Maharashtra	Sindhudurg	Sindhudurg	Copper Coated Wires
222	Maharashtra	Thane	Bhiwandi	Powerloom
223	Maharashtra	Thane	Kalyan	Confectionery
224	Maharashtra	Thane	Vashind	Chemicals
225	Maharashtra	Thane	Tarapur, Thane-Belapur	Pharmaceuticals- Bulk Drugs
226	Maharashtra	Thane	Thane	Sea Food
227	Maharashtra	Wardha	Wardha	Solvent Oil
228	Maharashtra	Yavatmal	Yavatmal	Dal Mills
229	Madhya Pradesh	Bhopal	Bhopal	Engineering Equipment
230	Madhya Pradesh	Dewas	Dewas	Electrical Goods
231	Madhya Pradesh	East Nimar	Burhanpur	Powerloom
232	Madhya Pradesh	Indore	Indore	Pharmaceuticals-Bulk Drugs
233	Madhya Pradesh	Indore	Indore	Readymade Garments
234	Madhya Pradesh	Indore	Indore	Food Processing

S. No.	State	District	Location	Product
235	Madhya Pradesh	Indore	Pithampur	Auto Components
236	Madhya Pradesh	Jabalpur	Jabalpur	Readymade Garments
237	Madhya Pradesh	Jabalpur	Jabalpur	Powerloom
238	Madhya Pradesh	Ujjain	Ujjain	Powerloom
239	Orissa	Balangir	Balangir	Rice Mills
240	Orissa	Balasore	Balasore	Rice Mills
241	Orissa	Balasore	Balasore	Powerloom
242	Orissa	Cuttack	Cuttack	Rice Mills
243	Orissa	Cuttack	Cuttack	Chemicals & Pharmaceuticals
244	Orissa	Cuttack	Cuttack (Jagatpur)	Engineering & Fabrication
245	Orissa	Cuttack	Cuttack	Spices
246	Orissa	Dhenkanal	Dhenkanal	Powerloom
247	Orissa	Ganjam	Ganjam	Powerloom
248	Orissa	Ganjam	Ganjam	Rice Mills
249	Orissa	Koraput	Koraput	Rice Mills
250	Orissa	Puri	Puri	Rice Mills
251	Orissa	Sambhalpur	Sambhalpur	Rice Mills
252	Punjab	Amritsar	Amritsar	Rice Mills
253	Punjab	Amritsar	Amritsar	Shoddy Yarn
254	Punjab	Amritsar	Amritsar	Powerloom
255	Punjab	Fatehgarh Sahib	Mandi Govindgarh	Steel Re-rolling

S. No.	State	District	Location	Product
256	Punjab	Gurdaspur	Batala	Machine Tools
257	Punjab	Gurdaspur	Batala,Gurdaspur	Rice Mills
258	Punjab	Gurdaspur	Batala	Castings & Forging
259	Punjab	Jalandhar	Jalandhar	Sports Goods
260	Punjab	Jalandhar	Jalandhar	Agricultural Implements
261	Punjab	Jalandhar	Jalandhar	Handtools
262	Punjab	Jalandhar	Jalandhar	Rubber Goods
263	Punjab	Jalandhar	Kartarpur	Wooden Furniture
264	Punjab	Jalandhar	Jalandhar	Leather Tanning
265	Punjab	Jalandhar	Jalandhar	Leather Footwear
266	Punjab	Jalandhar	Jalandhar	Surgical Instruments
267	Punjab	Kapurthala	Kapurthala	Rice Mills
268	Punjab	Kapurthala	Phagwara	Diesel Engines
269	Punjab	Ludhiana	Ludhiana	Auto Components
270	Punjab	Ludhiana	Ludhiana	Bicycle Parts
271	Punjab	Ludhiana	Ludhiana	Hosiery
272	Punjab	Ludhiana	Ludhiana	Sewing M/C Components
273	Punjab	Ludhiana	Ludhiana	Industrial Fastners
274	Punjab	Ludhiana	Ludhiana	Handtools
275	Punjab	Ludhiana	Ludhiana	Machine Tools
276	Punjab	Ludhiana	Ludhiana	Forging
277	Punjab	Ludhiana	Ludhiana	Electroplating
278	Punjab	Moga	Moga	Wheat Threshers
279	Punjab	Patiala	Patiala	Agricultural Implements

S. No.	State	District	Location	Product
280	Punjab	Patiala	Patiala	Cutting Tools
281	Punjab	Sangrur	Sangrur	Rice Mills
282	Rajasthan	Alwar,S. Madhopur,	Alwar, S. Madhopur Bharatpur belt	Oil Mills
283	Rajasthan	Ajmer	Kishangarh	Marbe Slabs
284	Rajasthan	Ajmer	Kishangarh	Powerloom
285	Rajasthan	Alwar	Alwar	Chemicals
286	Rajasthan	Bikaner	Bikaner	Papad Mangodi, Namkin
287	Rajasthan	Bikaner	Bikaner	Plaster of Paris
288	Rajasthan	Dausa	Mahuwa	Sand Stone
289	Rajasthan	Gaganagar	Ganganagar	Food Processing
290	Rajasthan	Jaipur	Jaipur	Gems & Jewellery
291	Rajasthan	Jaipur	Jaipur	Ball Bearing
292	Rajasthan	Jaipur	Jaipur	Electrical Engineering Equipment
293	Rajasthan	Jaipur	Jaipur	Food Products
294	Rajasthan	Jaipur	Jaipur	Garments
295	Rajasthan	Jaipur	Jaipur	Lime
296	Rajasthan	Jaipur	Jaipur	Mechanical Engineering Equipment
297	Rajasthan	Jhalawar	Jhalawar	Marble Slabs
298	Rajasthan	Nagaur	Nagaur	Handtools
299	Rajasthan	Sikar	Shikhawati	Wooden Furniture
300	Rajasthan	Sirohi	Sirohi	Marble Slabs
301	Rajasthan	Udaipur	Udaipur	Marble Slabs

S. No.	State	District	Location	Product
302	Tamil Nadu	Chennai	Chennai	Auto components
303	Tamil Nadu	Chennai	Chennai	Leather Products
304	Tamil Nadu	Chennai	Chennai	Electroplating
305	Tamil Nadu	Coimbatore	Coimbatore	Diesel Engines
306	Tamil Nadu	Coimbatore	Coimbatore	Agricultural Implements
307	Tamil Nadu	Coimbatore	Tirupur	Hosiery
308	Tamil Nadu	Coimbatore	Coimbatore	Machine Tools
309	Tamil Nadu	Coimbatore	Coimbatore	Castings & Forging
310	Tamil Nadu	Coimbatore	Coimbatore, Palladam, Kannam	Powerloom
311	Tamil Nadu	Coimbatore	Coimbatore	Wet Grinding Machines
312	Tamil Nadu	Erode	Surampatti	Powerloom
313	Tamil Nadu	Karur	Karur	Powerloom
314	Tamil Nadu	Madurai	Madurai	Readymade Garments
315	Tamil Nadu	Madurai	Madurai	Rice Mills
316	Tamil Nadu	Madurai	Madurai	Dal Mills
317	Tamil Nadu	Namakkal	Thiruchengode	Rigs
318	Tamil Nadu	Salem	Salem	Readymade Garments
319	Tamil Nadu	Salem	Salem	Starch & Sago
320	Tamil Nadu	Thanjavur	Thanjavur	Rice Mills
321	Tamil Nadu	Tiruchirappalli	Tiruchirappalli	Engineering Equipment
322	Tamil Nadu	Tiruchirappalli	Tiruchirappalli (Rural)	Artificial Diamonds
323	Tamil Nadu	Tuticorin	Kovilpathi	Safety Matches
324	Tamil Nadu	Vellore	Ambur, Vaniyambadi, Pallar Valley	Leather Tanning

S. No.	State	District	Location	Product
325	Tamil Nadu	Virudhunagar	Rajapalayam	Cotton Mills(Gauge Cloth)
326	Tamil Nadu	Virudhunagar	Virudhunagar	Tin Container
327	Tamil Nadu	Virudhunagar	Sivakasi	Printing
328	Tamil Nadu	Virudhunagar	Sivakasi	Safety Matches & Fire Works
329	Tamil Nadu	Virudhunagar	Srivilliputhur	Toilet Soap
330	Uttar Pradesh	Agra	Agra	Foundry
331	Uttar Pradesh	Agra	Agra	Leather Footwear
332	Uttar Pradesh	Agra	Agra	Mechanical Engineering Equipment
333	Uttar Pradesh	Aligarh	Aligarh	Brass & Gunmetal Statues
334	Uttar Pradesh	Aligarh	Aligarh	Locks
335	Uttar Pradesh	Aligarh	Aligarh	Building Hardware
336	Uttar Pradesh	Allahabad	Mau	Powerloom
337	Uttar Pradesh	Allahabad	Mau Aima	Leather Products
338	Uttar Pradesh	Banda	Banda	Powerloom
339	Uttar Pradesh	Bulandshahr	Khurja	Ceramics
340	Uttar Pradesh	Firozabad	Firozabad	Glass Products
341	Uttar Pradesh	Gautam Buddha Nagar	Noida	Electronic Goods

S. No.	State	District	Location	Product
342	Uttar Pradesh	Gautam Buddha Nagar	Noida	Toys
343	Uttar Pradesh	Gautam Buddha Nagar	Noida	Chemicals
344	Uttar Pradesh	Gautam Buddha Nagar	Noida	Electrical Engineering Equipment
345	Uttar Pradesh	Gautam Buddha Nagar	Noida	Garments
346	Uttar Pradesh	Gautam Buddha Nagar	Noida	Mechanical Engineering Equipment
347	Uttar Pradesh	Gautam Buddha Nagar	Noida	Packaging Material
348	Uttar Pradesh	Gautam Buddha Nagar	Noida	Plastic Products
349	Uttar Pradesh	Ghaziabad	Ghaziabad	Chemicals
350	Uttar Pradesh	Ghaziabad	Ghaziabad	Mechanical Engineering Equipment
351	Uttar Pradesh	Ghaziabad	Ghaziabad	Packaging Material
352	Uttar Pradesh	Gorakhpur	Gorakhpur	Powerloom
353	Uttar Pradesh	Hathras	Hathras	Sheetwork (Globe, Lamp)
354	Uttar Pradesh	Jhansi	Jhansi	Powerloom
355	Uttar Pradesh	Kannauj	Kannauj	Perfumery & Essential Oils
356	Uttar Pradesh	Kanpur	Kanpur	Saddlery
357	Uttar Pradesh	Kanpur	Kanpur	Cotton Hosiery

S. No.	State	District	Location	Product
358	Uttar Pradesh	Kanpur	Kanpur	Leather Products
359	Uttar Pradesh	Meerut	Meerut	Sports Goods
360	Uttar Pradesh	Meerut	Meerut	Scissors
361	Uttar Pradesh	Moradabad	Moradabad	Brassware
362	Uttar Pradesh	Muzaffarnagar	Muzaffarnagar	Rice Mills
363	Uttar Pradesh	Saharanpur	Saharanpur	Rice Mills
364	Uttar Pradesh	Saharanpur	Saharanpur	Woodwork
365	Uttar Pradesh	Varanasi	Varanasi	Sheetwork (Globe, Lamp)
366	Uttar Pradesh	Varanasi	Varanasi	Powerloom
367	Uttar Pradesh	Varanasi	Varanasi	Agricultural Implements
368	Uttar Pradesh	Varanasi	Varanasi	Electric Fan
369	Uttaranchal	Dehradun	Dehradun	Miniature Vacuum Bulb
370	Uttaranchal	Haridwar	Roorkee	Survey Instruments
371	Uttaranchal	Udham Singh Nagar	Rudrapur	Rice Mills
372	West Bengal	Bankura	Barjora	Fishing Hooks (Information awaited)
373	West Bengal	HMC & Bally Municipal area	Howrah	Foundry

S. No.	State	District	Location	Product
374	West Bengal	Howrah	Bargachia, Mansinghapur, Hantal, Sahadatpur & Jagatballavpur	Locks
375	West Bengal	Howrah	HMC & Bally Municipal area Sevok Rd	Steel Re-rolling
376	West Bengal	Howrah	Domjur	Artificial & Real Jewellery
377	West Bengal	Cooch Bihar	Cooch Bihar-I, Tufanganj, Mathabangha, Mekhliganj	Sitalpati/ Furniture
378	West Bengal	Kolkata	Wellington, Khanpur	Electric Fans
379	West Bengal	Kolkata	Sovabazar, Cossipur	Hosiery
380	West Bengal	Kolkata	Metiaburuj Ward No. 138 to 141	Readymade Garments
381	West Bengal	Kolkata	Tiljala, Topsia, Phoolbagan	Leather Goods
382	West Bengal	Kolkata	Daspara(Ultadanga), Ahiritola	Dal Mills
383	West Bengal	Kolkata	Taltala, Lenin, Sarani	Mechanical Engineering Equipment
384	West Bengal	Kolkata	Bowbazar, Kalighat	Wood Products
385	West Bengal	Nadia	Matiary, Dharmada, Nabadwi	Bell/Metal Utensils
386	West Bengal	Nadia	Ranaghat	Powerloom
387	West Bengal	Purulia	Jhalda Proper, Purulia, Begunkodar & Tanasi	Handtools
388	West Bengal	South 24 Parganas	Kalyanpur, Purandarpur, Dhopagachi	Surgical Instruments

ANNEXURE-E**LIST OF MSME SPECIALIZED BRANCHES**

S.No.	BRANCH	BRANCH NAME	ZONE NAME	DISTRICT	STATE
1.	A0529	Court Road	Amritsar	Amritsar	Punjab
2.	A1504	Amroha	Bareilly	Amroha	Uttar Pradesh
3.	H0167	Haldwani	Bareilly	Nainital	Uttarakhand
4.	B0119	Hamidia Road Bhopal	Bhopal	Bhopal	Madhya Pradesh
5.	B0271	Bhind	Bhopal	Bhind	Madhya Pradesh
6.	B0434	Bhilai	Bhopal	Durg	Chhatisgarh
7.	B0742	MP Nagar Bhopal	Bhopal	Bhopal	Madhya Pradesh
8.	B0992	Hoshangabad Road Bhopal	Bhopal	Bhopal	Madhya Pradesh
9.	G0101	JG Gwalior	Bhopal	Gwalior	Madhya Pradesh
10.	I0103	PY Road Indore	Bhopal	Indore	Madhya Pradesh
11.	I0734	AB Road Indore	Bhopal	Indore	Madhya Pradesh
12.	K0642	Korba	Bhopal	Korba	Chhatisgarh
13.	R0298	KK Road Raipur	Bhopal	Raipur	Chhatisgarh
14.	R0332	Rewa	Bhopal	Rewa	Madhya Pradesh
15.	R0365	Rajhara Dalli	Bhopal	Durg	Chhatisgarh
16.	S0278	Sagar	Bhopal	Sagar	Madhya Pradesh
17.	S0315	Shahpura Bhopal	Bhopal	Bhopal	Madhya Pradesh
18.	B0983	Baddi	Chandigarh	Solan	Himachal Pradesh
19.	C0242	Sector 34	Chandigarh	Chandigarh	Chandigarh
20.	C0245	Industrial Area	Chandigarh	Chandigarh	Chandigarh
21.	C0409	Sec 47D , Chd	Chandigarh	Chandigarh	Chandigarh
22.	C0415	Sec 22 B Chd	Chandigarh	Chandigarh	Chandigarh
23.	C0758	Sector 32,Chd	Chandigarh	Chandigarh	Chandigarh

S.No.	BRANCH	BRANCH NAME	ZONE NAME	DISTRICT	STATE
24.	G0197	Gobindgarh Mandi	Chandigarh	Fatehgarh Sahib	Punjab
25.	K0195	Kukar Majra	Chandigarh	Fatehgarh Sahib	Punjab
26.	L0703	Lalru	Chandigarh	S A S Nagar (Mohali)	Punjab
27.	M0163	Mandi	Chandigarh	Mandi	Himachal Pradesh
28.	M0186	Phase V Mohali	Chandigarh	S A S Nagar (Mohali)	Punjab
29.	O0235	Oachghat	Chandigarh	Solan	Himachal Pradesh
30.	B0162	J.C.Road Bangalore	Chennai	Banglore	Karnataka
31.	H1527	Hosur	Chennai	Krishnagiri	Tamil Nadu
32.	P1184	Pondicherry	Chennai	Puducherry	Puducherry
33.	D0005	Gandhi Road Dehradun	Dehradun	Dehradun	Uttarakhand
34.	D0100	Rajpur Road Dehradun	Dehradun	Dehradun	Uttarakhand
35.	D0374	Salawala	Dehradun	Dehradun	Uttarakhand
36.	D0383	Dalanwala Dehradun	Dehradun	Dehradun	Uttarakhand
37.	D0397	Arhat Bazar Dehradun	Dehradun	Dehradun	Uttarakhand
38.	M0055	Majra	Dehradun	Dehradun	Uttarakhand
39.	M0256	Muzaffar Nagar	Dehradun	Muzaffarnagar	Uttar Pradesh
40.	S0608	Gurdwara Road Saharanpur	Dehradun	Saharanpur	Uttar Pradesh
41.	D0165	Hemkunt Colony	Delhi-I	South Delhi	Delhi
42.	D0338	Krishna Nagar	Delhi-I	Shahdara	Delhi

S.No.	BRANCH	BRANCH NAME	ZONE NAME	DISTRICT	STATE
43.	D0540	Okhla New Delhi	Delhi-I	South East	Delhi
44.	D0007	Chandni Chowk Delhi	Delhi-li	Central Delhi	Delhi
45.	D0019	Pahar Ganj	Delhi-li	Central Delhi	Delhi
46.	D0075	Rajouri Garden New Delhi	Delhi-li	West Delhi	Delhi
47.	D0114	Kashmere Gate Delhi	Delhi-li	Central Delhi	Delhi
48.	D0295	Gujranwala Town Delhi	Delhi-li	North Delhi	Delhi
49.	D0413	Peera Garhi New Delhi	Delhi-li	West Delhi	Delhi
50.	D0482	Fatehpuri New Delhi	Delhi-li	Central Delhi	Delhi
51.	D0623	New Delhi Kirti Nagar	Delhi-li	West Delhi	Delhi
52.	D0929	Jwala Heri Paschim Vihar	Delhi-li	West Delhi	Delhi
53.	F0089	The Mall Faridkot	Faridkot	Faridkot	Punjab
54.	G0313	Godhewala	Faridkot	Moga	Punjab
55.	K0090	Kotkapura	Faridkot	Faridkot	Punjab
56.	N0027	Nihal Singh Wala	Faridkot	Moga	Punjab
57.	A0476	Reid Road	Gandhinagar	Ahmedabad	Gujarat
58.	A0925	Satellite	Gandhinagar	Ahmedabad	Gujarat
59.	R0410	Rajkot	Gandhinagar	Rajkot	Gujarat
60.	S0305	Surat	Gandhinagar	Surat	Gujarat
61.	B0094	Batala	Gurdaspur	Gurdaspur	Punjab
62.	B0661	Bari Brahmana (Nowhatta)	Gurdaspur	Jammu	Jammu & Kashmir
63.	J0173	Jammu	Gurdaspur	Jammu	Jammu & Kashmir
64.	J0730	Jammu Digiana	Gurdaspur	Jammu	Jammu & Kashmir
65.	J0731	Jammu Nanak Nagar	Gurdaspur	Jammu	Jammu & Kashmir

S.No.	BRANCH	BRANCH NAME	ZONE NAME	DISTRICT	STATE
66.	P0201	Pathankot	Gurdaspur	Pathankot	Punjab
67.	S0237	Srinagar Main	Gurdaspur	Srinagar	Jammu & Kashmir
68.	S1183	Sarna	Gurdaspur	Gurdaspur	Punjab
69.	U0239	Udhampur	Gurdaspur	Udhampur	Jammu & Kashmir
70.	A0121	Ajronda	Gurugram	Faridabad	Haryana
71.	A0234	Hing Ki Mandi	Gurugram	Agra	Uttar Pradesh
72.	A0398	Aligarh(Sr)	Gurugram	Aligarh	Uttar Pradesh
73.	A0766	Baik.Ngr.Aligarh	Gurugram	Aligarh	Uttar Pradesh
74.	A0793	Ggka Tal Agra	Gurugram	Agra	Uttar Pradesh
75.	F0471	Nit Faridabad	Gurugram	Faridabad	Haryana
76.	G0353	Gurgaon	Gurugram	Gurgaon	Haryana
77.	M0571	Mathura Main (Dn Mathura)	Gurugram	Mathura	Uttar Pradesh
78.	M0820	Kr.Ngr Mathura	Gurugram	Mathura	Uttar Pradesh
79.	M0821	Mathura Cantt	Gurugram	Mathura	Uttar Pradesh
80.	G0304	Guwahati (Fancy Bazar)	Guwahati	Kamrup Metropolitan	Assam
81.	G0757	Guwahati (Rajgarh Road)	Guwahati	Kamrup Metropolitan	Assam
82.	I0346	Imphal	Guwahati	Imphal West	Manipur
83.	A0527	Ajmer	Jaipur	Ajmer	Rajasthan
84.	B0974	Bhiwadi Distt Alwar	Jaipur	Alwar	Rajasthan
85.	B1228	Bikaner	Jaipur	Bikaner	Rajasthan
86.	J0135	Jaipur Station Road	Jaipur	Jaipur	Rajasthan
87.	J0221	Jodhpur	Jaipur	Jodhpur	Rajasthan

S.No.	BRANCH	BRANCH NAME	ZONE NAME	DISTRICT	STATE
88.	J0607	Jaipur (Raja Park)	Jaipur	Jaipur	Rajasthan
89.	J0769	Jodhpur Sojati Gate Gurdwara S. G. S. S.	Jaipur	Jodhpur	Rajasthan
90.	S0772	Sri Ganga Nagar (Sgn Girls Sr. Sec. School)	Jaipur	Ganganagar	Rajasthan
91.	U0404	Udaipur	Jaipur	Udaipur	Rajasthan
92.	J0352	Jalandhar Mota Singh Nagar	Jalandhar	Jalandhar	Punjab
93.	J0421	Jalandhar Adda Hoshiarpur	Jalandhar	Jalandhar	Punjab
94.	J0532	Jalandhar Model Town	Jalandhar	Jalandhar	Punjab
95.	J0697	Jalandhar Ssi	Jalandhar	Jalandhar	Punjab
96.	C0361	Kolkata N S Road	Kolkata	Kolkatta	West Bengal
97.	C0501	Kolkata Lindsay Street	Kolkata	Kolkatta	West Bengal
98.	C0625	Kolkata Chowringhee	Kolkata	Kolkatta	West Bengal
99.	H0433	Hazaribag	Kolkata	Hazaribagh	Jharkhand
100.	N1171	New Jalpaiguri	Kolkata	Jalpaiguri	West Bengal
101.	R0347	Ranchi	Kolkata	Ranchi	Jharkhand
102.	A0340	Civil Lines, Allahabad	Lucknow	Allahabad	Uttar Pradesh
103.	G0317	Gorakhpur	Lucknow	Gorakhpur	Uttar Pradesh
104.	J0491	Jhansi	Lucknow	Jhansi	Uttar Pradesh
105.	K0011	Latouch Road ,Kanpur	Lucknow	Kanpur City	Uttar Pradesh
106.	K0018	Gumti No 5,Kanpur	Lucknow	Kanpur City	Uttar Pradesh
107.	K0425	Tpt. Nagar ,Kanpur	Lucknow	Kanpur City	Uttar Pradesh
108.	L0166	Hazratganj,Lucknow	Lucknow	Lucknow	Uttar Pradesh
109.	M0387	Mirzapur	Lucknow	Mirzapur	Uttar Pradesh
110.	V0321	Varanasi	Lucknow	Varanasi	Uttar Pradesh

S.No.	BRANCH	BRANCH NAME	ZONE NAME	DISTRICT	STATE
111.	V0807	Gurubagh, Varanasi	Lucknow	Varanasi	Uttar Pradesh
112.	J0371	Jamalpur	Ludhiana	Ludhiana	Punjab
113.	L0021	Gill, Ludhiana	Ludhiana	Ludhiana	Punjab
114.	L0145	Civil Lines	Ludhiana	Ludhiana	Punjab
115.	L0293	Model Town	Ludhiana	Ludhiana	Punjab
116.	L0522	Gurudwara Kalgidhar	Ludhiana	Ludhiana	Punjab
117.	L0680	Kitchlu Nagar	Ludhiana	Ludhiana	Punjab
118.	L0681	Moti Nagar	Ludhiana	Ludhiana	Punjab
119.	L0682	New Janta Ngr	Ludhiana	Ludhiana	Punjab
120.	L0692	Kcw	Ludhiana	Ludhiana	Punjab
121.	L0699	Sme	Ludhiana	Ludhiana	Punjab
122.	S0144	Sherpur	Ludhiana	Ludhiana	Punjab
123.	S0159	Sunet	Ludhiana	Ludhiana	Punjab
124.	B0117	Opera House	Mumbai	Mumbai	Maharashtra
125.	B0386	Juhu	Mumbai	Mumbai	Maharashtra
126.	B0428	Malabar Hill	Mumbai	Mumbai	Maharashtra
127.	B0523	Vikhroli	Mumbai	Mumbai	Maharashtra
128.	B0569	Bhandup	Mumbai	Mumbai	Maharashtra
129.	P0324	Pune	Mumbai	Pune	Maharashtra
130.	A0426	Noida Atta,	Noida	Gautam Buddha Nagar	Uttar Pradesh
131.	G0538	Gzb Navyug Market	Noida	Ghaziabad	Uttar Pradesh
132.	H0241	Hapur	Noida	Aligarh	Uttar Pradesh
133.	M0169	Meerut Begum Bridge	Noida	Meerut	Uttar Pradesh
134.	M0621	Meerut Delhi Road	Noida	Meerut	Uttar Pradesh



S.No.	BRANCH	BRANCH NAME	ZONE NAME	DISTRICT	STATE
135.	A0004	Ambala City	Panchkula	Ambala	Haryana
136.	P0226	G T Road Panipat	Panchkula	Panipat	Haryana
137.	P0735	Panchkula	Panchkula	Panchkula	Haryana
138.	S0310	Sonipat	Gurugram	Sonipat	Haryana
139.	D0272	Dhuri	Patiala	Sangrur	Punjab
140.	P0006	Gurmandi Patiala	Patiala	Patiala	Punjab
141.	C0343	B K Road Cuttack	Vijayawada	Cuttack	Odisha
142.	R1240	Rourkela	Vijayawada	Sundergarh	Odisha
143.	V0318	Vijayawada	Vijayawada	Krishna	Andhra Pradesh

LIST OF ABBREVIATION**ANNEXURE F**

ANBC	Adjusted Net Bank Credit
BCSBI	Banking Codes and Standards Board of India
CEGSSC	Credit Enhancement Guarantee Scheme for the Scheduled Castes
CERSAI	Central Registry of Securitization, Asset Reconstruction and Security Interest of India
CGFMU	Credit Guarantee Fund for loan to Micro Units
CGS	Credit Guarantee Scheme
CGSSI	Credit Guarantee scheme for Stand-up India
CGTMSE	Credit Guarantee Fund Trust for Micro & Small Enterprises
CLSS	Credit Linked Capital Subsidy Scheme
CMR	CIBIL MSME Rank
CP&MSME	loan policy & Micro, Small and Medium Enterprises
CPA	Credit Process Audit
CRILC	Central Repository of Information on Large Credits
CRMC	Credit Risk Management Committee
EASE	Enhanced Access and Service Excellence
ECGC	Export Credit Guarantee Corporation of India Limited
FLCs	Financial Literacy Centres
GCC	General Credit Card
Govt.	Government
GST	Goods and Services Tax
IBA	Indian Banks' Association
IBPC	Inter Bank Participation Certificates
JLG	Joint Lending Group
KVI	Khadi & village Industries Sector
KVIC	Khadi and Village Industries Commission
KYC	Know Your Customer
MD&CEO	Managing Director & Chief Executive Officer
MIS	Management Information System
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MSE	Micro & Small Enterprise
MSE-CDP	Micro and Small Enterprises Cluster Development Programme
MSME	Micro, Small and Medium Enterprises
MSMED Act	Micro, Small and Medium Enterprises Development Act
MUDRA	Micro Units Development & Refinance Agency Ltd.
NABARD	National Bank for Agriculture and Rural Development
NPA	Non-Performing Asset
NSE	National Stock Exchange
NSIC	National Small Industries Corporation

PAN	Permanent Account Number
PEC	Product Evaluation Committee
PMEGP	Prime Minister Employment Generation Programme
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMMY	Pradhan Mantri Mudra Yojana
RBI	Reserve Bank of India
RTI	Right to Information
RXIL	Receivables Exchange of India Ltd
SC/ST/ OBC	Scheduled Caste / Scheduled Tribe / Other Backward Caste
SEFC	Small Enterprises Financial Centres
SFC	State Financial Corporation
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SHG	Self Help Group
SIDBI	Small Industries Development Bank of India
SIDC	State Industrial Development Corporation
SLBC	State Level Bankers' Committee
SLIIC	State Level Inter Institutional Committee
SMA	Special Mention Account
SSI	Small Scale Industries
TAT	Turn Around Time
TEV	Techno - Economic Viability
TOs	Technical Officer
TPA	Third Party Administration
TReDS	Trade Receivables Discounting System
TUFS	Technology Upgradation Fund Scheme
UNIDO	United Nations Industrial Development Organization
ZLCC	Zonal level Credit Committee
