

PNB STAND BY LINE OF CREDIT (PNB SLC) FOR MSMEs TO FUND TEMPORARY LIQUIDITY MISMATCH

Parameter	Details
Product Type	Demand Loan
Purpose	To meet the temporary liquidity mismatch arising out of delayed realization of receivables, receipts of GST Inputs tax credits (including for Exports) and other Business requirements.
Eligibility	a. Existing Units having Limits upto Rs. 5 crore are eligible under the scheme. (In case, if total exposure of unit including this facility (PNB SLC) is above than Rs. 5 crore, guidelines regarding external risk rating shall be are applicable. b. All Units irrespective of Rating. c. Account to be standard. SMA-0, SMA-1 & SMA-2 are also eligible under the scheme.
Loan amount	25% of working capital (FBWC + NFBWC) of Existing units having limits upto Rs. 5 crore, with maximum amount of Rs. 1.25 crore. However the limit would be sanctioned in One Go and may be disbursed in multiple tranches, with overall repayment period of 12months.
	b. Other Conditions : ✓ Adhoc facility, if any, outstanding at the time of granting this facility, the same has to be liquidated from the proceeds of PNB SLC. Only one facility can be availed by the borrower at one time either adhoc or PNB SLC. ✓ Chartered Accountant (CA) certificate to be obtained certifying the outstanding receivables, amount of pending GST dues up to the months for which the returns have been filed. ✓ Chartered Accountant (CA) has to get the Unique Document Identification Number (UDIN) of the certificate issued through the UDIN Portal. This UDIN should be mentioned on the certificate issued by the CA and verified by the branch on UDIN portal (https://udin.icaai.org). c. The facility will be considered as an exposure on the borrower and guidelines stipulated under the RBI Prudential Norms shall be adhered to. d. The facility shall be made available as Fund Based Limit only.

Disbursement & Repayment	✓ The borrower can avail the sanctioned amount in one go or in tranches. ✓ The entire loan (including finance in multiple tranches) under the scheme has to be repaid within the maximum period of 12 months from the date of sanction. Further, option would be given to the borrower to make repayment of loan in Monthly/Quarterly/Half yearly installment or in one go. However, interest charged on loan shall be recovered as and when due. ✓ In case, the limits are availed in tranches then the repayment /liquidation of all tranches should be 12 months from the date of sanction. ✓ Borrower may make early repayment as per his/her convenience. No prepayment charges shall be levied on early repayment of PNB SLC. ✓ In case of early liquidation / repayment of the loan/ tranche borrower may be allowed to apply again to drawdown in one go or in tranches. However, the subsequent draws should also be liquidated as above.
Margin	Margin is Nil. However margin for the existing limits will continue as per the sanctioned terms. ✓ As the Margin under PNB SLC for MSME is Nil, the value of loan and security will be same. However, the existing working capital limits have to be covered by the value of the stocks and receivables as hitherto. ✓ Branches shall ensure that the DP has not been provided to the existing borrower on the GST portion for extending DP for other facilities – Working Capital limits and ensure that there is no double financing.
Interest Rate	✓ 0.50 % above the sanctioned Cash Credit rate. ✓ ROI for the primary account (originally sanctioned loan) shall not be changed on account of change in collateral coverage after extending PNB SLC. ✓ Penal Interest as applicable to Cash Credit account will be charged, if not repaid within the stipulated period.
Security	Hypothecation of stocks and receivables (GST and other Credit). Extension of charge on the Primary Security / Collateral security.
Documentation / ROC charge	a. As per extant instructions to be executed before disbursal. b. ROC Formalities to be completed upon sanction and before disbursement.
Processing Fee	Nil