

| PNB CONTRACTOR SCHEME | |
|-------------------------------|---|
| PARAMETERS | PARTICULARS |
| Purpose/ Objective | <p>To provide Working Capital / Overdraft assistance (fund based/ non fund based) in the form of running limit, Letter of Credit, Bank Guarantee for meeting working capital needs and Term Loan for purchase of equipments/ Vehicles/ Plant & Machinery/ any other legitimate assets to the contractors/ sub-contractors used for their business.</p> <ul style="list-style-type: none"> ✓ Working Capital (WC): To meet WC requirements for both Fund Based and Non-fund based facilities. FB & NFB WC limits for day to day requirement/ materials / labour payment / statutory payments etc. ✓ Term Loan: For purchase of Plant & Machinery/ Equipments/ Transport Vehicles, to be used for execution of contract works. ✓ Bank Guarantee: For bidding of tenders, mobilization of advance money, performance of the contract, guarantee in favour of Central/ State Govt. & its various departments and reputed Pvt. Ltd. Companies/ guarantee for release of retention money. |
| Eligibility | <ul style="list-style-type: none"> ✓ Individual, Proprietorship, Partnership firms/ LLP/ Private / Public Ltd. Cos., falling within the definition of MSME as per MSMED Act, 2006. ✓ All Registered Civil, Construction, Electrical, Mechanical, Mining, Labour and Transport Contractors undertaking works on behalf of Central/ State Government Department/ PWD/ Public Sector Undertakings and Reputed Corporate etc. ✓ Sub-Contractors executing works on behalf of main contractors shall be eligible under this scheme if subletting is through irrevocable registered agreement and all required permission and licenses/ registration are available provided it is permitted under the original contract. ✓ Business units should have been established in their line of business for minimum of 2 years and the unit should have a Cash Profit in the immediate preceding year. |

| | |
|--------------------------|--|
| Area of operation | All Branches of the Bank. |
| Type of facility | <p>1. Term Loan 2. Overdraft limit. 3. Bank Guarantee/ Letter of Credit 4. Fund based overdraft Bid Bond limit</p> <p>Fund based overdraft Bid Bond limit</p> <ul style="list-style-type: none"> ✓ Separate Overdraft account shall be opened for Bid Bond limit and which will be a no debit account. Bank cannot debit this account on his own in any circumstances. Only Bank will have the right to debit this account. OD limit will be set on borrower's request. Bank will debit the account to make Third Party FDs for bidding purpose. FD may be interest bearing or non-interest bearing as per the request of the borrower. ✓ Once the FD is returned the same will be closed and proceeds of the same will be credited to the above said OD account. This account will function as an OD account, where interest will be charged on monthly basis and on the utilized limit as a normal OD account. Borrower needs to serve the interest as and when due in this account. Limit of this account will be fixed based on the average monthly utilization for the bidding purpose. ✓ Bid Bond will be over and above the regular OD limit to be sanctioned for executing the allotted contracts. No commitment charges shall be levied for Bid Bond limit sanctioned. |
| Loan Amount | Need based. However, interchangeability from Fund Based Working Capital (FBWC) limit to BG/LC may be permitted by the sanctioning authority up to 25% of the sanction limit. |
| Margin | <p>For Term Loan:</p> <ul style="list-style-type: none"> ✓ Minimum 25% margin on equipments/ Plant & Machinery/ any other legitimate assets. ✓ Minimum 20% margin on Transport Vehicles, i.e., inclusive of insurance premium, RTO Tax and other incidental charges in case of new vehicles. <p>For Working Capital: Minimum 25%</p> |

| | |
|----------------------------|---|
| | <p>For Non-fund based limit:</p> <ul style="list-style-type: none"> ✓ Minimum 15% cash margin for Performance guarantee (Next higher authority can allow deduction in cash margin by maximum of 5% i.e. up to minimum 10%). ✓ 100% cash margin for BG against disputed liabilities. ✓ Cash Margin is defined as: 1. Deposit in Saving / Current Account duly lien marked on the respective amount 2. Term Deposit duly lien marked. |
| Tenure of Loan | <ul style="list-style-type: none"> ✓ Overdraft / BG/LC limit will be subject to annual review. ✓ Term Loan: Maximum repayment period up to 84 months including moratorium period of maximum of 3 months from the date of first disbursement. However, a higher moratorium period may be allowed by next higher sanctioning authority in deserving cases. |
| Primary Security | Hypothecation of entire equipment/ current assets and non-current assets (Present & Future) of the unit. |
| Collateral Security | <ul style="list-style-type: none"> ✓ Minimum 75% of the exposure (Fund based and Non- Fund based) by way of Mortgage of Immovable property/ liquid security. ✓ Personal guarantee should be obtained in line with extent guidelines of the Bank. |
| Rate of Interest | As per Bank's Policy guidelines |