

CORP COLLATERAL FREE LOAN (CCFL) SCHEME

1.0	Features	The objective of the Scheme is to provide adequate, timely and need based assistance to the Micro, Small & Medium Enterprises (MSMEs) to meet their investment in Plant & machinery/ Equipments and working capital in a flexible and cost effective manner.
2.0	Eligibility	1.1 New and existing Micro & Small Enterprises engaged in Manufacturing and Service Sector. 1.2 Retail Trade and Educational Institutions cannot be financed under this Scheme.
3.0	Purpose	Investment and working capital loans
4.0	Nature of Facility	<ul style="list-style-type: none"> • Fund based - Term loan and working capital • Non-fund based loans (LC & Guarantee).
5.0	Quantum of Loan	The loan amount shall be more than Rs.10.00 lakh and maximum up to Rs.100 lakh (both Fund based and Non-Fund based - Term Loan and /or Working capital).
6.0	Margin	For Term Loan: 25% of the project cost. For Working Capital: Fund Based: 25% to 40% depending on the nature of current assets [25% on stock and 40% on book debts]. Non-Fund Based: Minimum 25%.
7.0	Rate of Interest	As applicable from time to time [Concession in rate of interest to the extent of 50 basis points]
8.0	Security	Only Primary Security i.e. the asset created out of bank finance.
9.0	Repayment/ Validity	<u>Term Loan</u> : Repayable within a period of 7 years (including initial moratorium period) <u>Working Capital/ Cash Credit</u> : Running account subject to annual renewal.
10.0	Guarantor	Third party Guarantee should not be obtained. The personal guarantee of proprietor / partner is not treated as third party guarantee.
11.0	CGTMSE Guarantee	The loans sanctioned under the Scheme shall be covered under Credit Guarantee cover of CGTMSE. This is a pre-condition for sanction of loan under this scheme.
12.0	Nomenclature	CCFTL & CCFCC
