



General Purpose Term Loan

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The General Purpose Term Loans provide Term loan with an objective to support the financial need of MSME's for varied purposes.

Purpose of loan:

1. Setting up of a new MSME unit
2. Expansion / Diversification/ modernisation/ technology up-gradation/ quality certification of existing units in MSME sector.
3. Acquisition of additional machinery / equipment.
4. For undertaking various marketing related activities
5. Any other activity (having linkages and benefits accruing to MSME sector from the proposed assistance).

Nature of Assistance: Need based (minimum 10 Lakh)

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Objective

- Setting up of a new MSME unit.
- Expansion / Diversification / modernisation/ technology upgradation/ quality certification of existing units in MSME sector.
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- Any other activity (having linkages and benefits accruing to MSME sector from the proposed assistance).

Nature of assistance

Term loan and other forms of assistance such as Working Capital Term Loan, etc.

Amount of assistance (limit)

Need based (minimum ₹10 Lakh).

Debt Equity Ratio(DER)	Not exceeding 3:1
Minimum Promoter's Contribution	New Projects- 33% Existing well performing units- lower contribution [up to 25%] could be accepted
Period of Loan	Generally maximum 8-10 years for term loan (including moratorium upto 18 months)
Upfront Fee (non refundable)	Generally 1% of the term loan sanctioned
Asset Coverage Ratio (ACR)	Minimum overall asset coverage of 1.3 for existing units and 1.4 for new entities including FACR of 1.00

For enquiries, please contact the nearest SIDBI office