eCircular

Department: SME BUSINESS UNIT
Sl.No.: 1319/2020 - 21
Circular No.: NBG/SMEBU-SME ADVANC/86/2020 - 21
Date: Wed 3 Feb 2021

The Chief General Manager,

State Bank of India,

Local Head Office,

All Circles

SME/PPD & CLP/AP/2020-21/Cir- Dt.: 31.01.2021

Madam / Dear Sir,

SME ADVANCES: NEW PRODUCT

SME FINANCE FOR CAs UNDER CLP

The Institute of Chartered Accountants of India (ICAI) is a statutory body established by an Act of Parliament, viz. The Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949) for regulating the profession of Chartered Accountancy in the country. The Institute, functions under the administrative control of the Ministry of Corporate Affairs, Government of India. The ICAI is the second largest professional body of Chartered Accountants in the world, with a strong tradition of service to the Indian economy in public interest. In order to capture this important segment and to cater to the credit requirements of Chartered Accountants a new product, "SME Finance For CAs Under Contactless Lending Platform" has been rolled out.

2. Salient features of the product are furnished below:

- Extend finance to CAs registered with ICAI.
- Minimum loan: Rs.2.00 lakhs, Max. loan Rs. 100 lacs
- Simple assessment of limit based on Income Tax Return
- Nil collateral security.
- No prepayment penalty.
- Competitive rate of interest linked to EBLR.
- Covered under CGTMSE.
- Loan will be available through CLP platform.

3. The loan facility to CAs will be introduced in Metro and Urban centers including State Capital/ Tier-I cities.

4. The following are product codes for Overdraft and Term Loan facilities under loan to CAs:

Product Code	Product Description	Facility	Segment
6501-4020	EB-MSME-OD-SME FIN CA	Overdraft	MSME
6400-4093	EB-MSME-TL-SME FIN CA	Term Loan	MSME

5. We attach the following annexures: -

Annexure-I: Detailed features of the product.

Annexure-II: Scoring Model

Annexure III: Loan Application Form.

Annexure-IV: Appraisal Format.

Annexure-V: Standard Operating Procedure (SOP) for the Product

5. Appraisal formats for the loan product are being developed in LOS/ LLMS. Hence, till such time rolled out in LLMS branches are permitted to process the proposal outside LOS/ LLMS. Please advise the operating units and branches under your control to book maximum business under the product.

Yours faithfully

Chief General Manager (SME & SCF)

Annexure-I

Salient features of SME Finance For CAs Under CLP

	Parameters	Features
a.	Target Group & Eligibility	Member Chartered Accountants (CAs) / Proprietorship / Partnership / or in any other form registered with the Institute of Chartered Accountants of India and currently under practice. **Eligibility:** • Minimum Age: 25 Years, Maximum Age: 65 years • CA must have Certificate of Membership (CoM)/ Certificate of Practice (CoP) issued by ICAI. CoM/ CoP should be at least 5 years old. • Minimum ITR – ITR for past 3 years should be available. • The applicant must obtain a minimum score of 50% as per score card under the scheme. * Applicant must be registered in UDYAM portal as MSME. * Applicants with CIBIL score below 650 will be ineligible.
b.	Purpose	**Overdraft:** For payment of salaries to employees/ Overheads/ Expenses pertaining to office. **Term Loan:** • Purchase of Office Equipments, Computers, Fixtures Fixed assets/ Renovating office premises. • For Construction of office premises on self-owned land/ firm land/ Promoter's land. • For acquisition of ready built new office premises on ownership basis.
c.	Nature of Facility	Overdraft, Term Loan.
d.	Quantum of loan	• Overdraft: Min: Rs. 2 Lakhs; Max. Rs.25 Lakhs. • Term Loan: Min. Rs.2 Lakhs; Max: (i) Metros: Delhi, Mumbai, Chennai, Kolkata, Ahmedabad, Bengaluru: Rs. 100 Lakhs (ii) Other Centres (State Capital/ Tier-I cities) : Max. Rs.75 Lakhs.
	Assessment	**Term Loan:** 75% of the project cost. **Overdraft:** 25% of Gross Receipts of the Firm/ CA. Max. Rs.25 Lakhs. **[Note:** Gross receipts mean total Professional and Other Fee received by a firm or CA. Gross receipts can be verified from GST returns (as GST is compulsory for > Rs.20 lakhs receipts). Gross receipts can also be verified from Audited of Certified Financials. In case of non-audited financials or Non-GST registered firm, receipts can be verified from Income Tax Return (as per Income Tax Act, professional have to show income higher of the following as presumptive income u/s 44 ADA: 50% of the total receipts from the profession.**]** Gross receipts can also be verified by credit summations in the

		account. ***(*Branches are instructed to arrive to the income/ receipts as per Form 26AS for assessment of OD limit.*)***
e.	CRA/ CUE	Not applicable.
f.	Margin	Term Loan: 25%, Overdraft: Nil.
g.	Pricing	Overdraft: EBLR + 2.50% (Present effective rate 9.15%) Term Loan: EBLR + 2.00% (Present effective rate 8.65%).
h.	Primary Security	Overdraft: Nil. Term Loan: Assets created out of bank finance.
i.	Collateral Security	Overdraft: Nil. Term Loan: Loan to be covered under CGTMSE. CGTMSE fee to be borne by the borrower.
j.	Personal Guarantee	Applicable. Personal guarantee of promoter (s) to be taken.
k.	Repayment Period	Overdraft: On demand. Term Loan: Repayable in 60 EMIs. (With maximum moratorium of 12 months).
l.	Processing Fee	• Up to Rs. 10 lacs: Rs. 500 plus applicable taxes • Above Rs. 10 lacs: Rs. 1000 plus applicable taxes
m.	Pre-Payment Penalty	Nil
n.	Penal Interest	5% p.a. over and above the existing rate of interest on overdue amount for the period of default (as per CPPD card rate).
o.	Stock Statement	Not required. However, for TL, schedule of fixed assets created out of bank finance to be obtained and annexed to SME-2.
p.	Documentation	SME documents to be obtained. In case of overdraft facility only SME-1, DP Note, DP delivery letter to be obtained. For TL facility applicable SME documents.
q.	Sanctioning Authority	As per scheme for delegation of financial powers. For OD facility: Sanction powers as applicable to Clean/ Unsecured loans as per Circular No. CDO/ORG-DFP/5/2019-20 dated 06.03.2020 will be applicable.
r.	RMD Guidelines	Not applicable
s.	Inspection	For Term Loans: Quarterly.
t.	Inspection Charges	Nil
u.	Insurance	As per bank's extant instructions.
v.	End Use of Funds	Funds to be utilized for business and not for speculative purposes. (Certificate of end use of funds to be obtained.). Post disbursement visit to be made by credit official to verify and to ensure that Fixed Asset has been acquired.
w.	KYC Exercise	KYC exercise to be done as per Bank's extant instructions. CA's status to be checked through URL https://www.icai.org/traceamember.html
x.	Other Conditions	Takeover is not proposed. Current accounts with other banks to be closed after disbursement. However, borrower will have to undertake at the

		time of application submission that he will close current account with other bank after disbursement. All transactions to be routed through our Current account (OD account). Disbursement (Term Loan): Directly to the supplier's account. Margin to be brought up front. No reimbursement is allowed. Regular monitoring of transactions to be done. Upon account becoming SMA-0, notice to be sent immediately and thereafter every fortnight. If no credit transactions during one month, necessary steps be initiated. In case of default the matter to be reported to ICAI/ NFRA for necessary action. An undertaking in this regard to be obtained from the applicant at the time of disbursement. All other accounts of the borrower, including SB account to be migrated to us. In the event of default/NPA, as an option to charging penal interest of 5% over & above the existing rate on overdue amount for period of default, the advances may be called-up.
y.	Product /Scheme Code	To be created afresh.
z.	DSCR	Minimum acceptable DSCR: 1.50.

Annexure-II

Scoring Model under SME FINANCE FOR CAs

Name of the Company/Firm: ____________________

Name of the Chief Promoter/Chief Executive: ____________________

	Proposed Parameters			
S. No.	**Parameters**	**Features**	**Total Score**	**Marks**
1	Retail CIR Score of Promoters	All Promoters/ Directors/ Partners/ Prop Individually scoring above 700	10	10
		Average of all promoters scoring above 700		8
		Score > 650 & up to 700		6
2	Age of the Key/ Chief Promoter	25 to 35	10	6
		36 to 60		10
		61 to 65		4
3	Owning a house (By Chief Promoter)	Own	10	10
		Owned by spouse		5
4	Gross annual income as per ITR	> Rs.10 lakhs	10	10
		> Rs.4 lakhs but < Rs.10 lakhs		7
5	Business Premises of the CA/ firm	Owned	10	10
		Owned but mortgaged		6
		Rented / Leased Residual period > 3 years and min 1 Yr stay at the leased premises		4
6	Number of years since registration as CA	More than 10 years	15	15
		More than 7 years to 10 years		10
		More than 5 years to 7 years		7
7	Resident of the same city	More than 5 years	5	5
		More than 3 to 5 years		2
8	Length of relationship with our Bank (only credit relationship or operative accounts to be considered) (Relationship of CA/ Firm with our Bank)	Dealing with the Bank for more than 5 years and their conduct is satisfactory	10	10
		Dealing with the Bank for more than 3 years and their conduct is satisfactory		6
		Dealing with the Bank for more than 2 years and upto 3 years and their conduct is satisfactory		4

9	Length of relationship with other Bank (only credit relationship or operative accounts to be considered)	Dealing with the Bank for more than 5 years and their conduct is satisfactory	5	4
		Dealing with the Bank for more than 3 years & upto 5 years and their conduct is satisfactory		3
		Dealing with the Bank for more than 2 years upto 3 years and their conduct is satisfactory		2
10	Net worth of the promoter (to be calculated based on notarized affidavit supported by documents)	> Rs. 20,00,000/-	5	5
		> Rs. 10,00,000 to Rs. 20,00,000/-		3
		> Rs. 5,00,000/- to Rs.10,00,000/-		2
11	DSCR (For TL only. To be normalized for Overdraft).	> 1.75	10	10
		> 1.50 but < 1.75		7
	Total Score		**100**	

(Applicant must get minimum 50% score to be eligible under the product).

Annexure-III

Name of the Product: SME Finance For CAs under CLP

Loan Application Form
(to be submitted along with documents as per check list)

Name of the borrower	Application Sl. No.	Name of the Branch
Constitution	Individual/ Proprietorship/ Partnership/ Others (Specify)	
PAN Number		
Aadhar Number		
Udyam Registration Number		
MSME Registration Number		
GST Registration Number		
Shops & Establishment Registration Number		
CA Membership Number		
Current Business Address (Owned/ Rented/ Spouse owned)		
Permanent Address (Owned/ Rented/ Spouse owned)		
Contact Numbers	Mobile No.	Landline No.
Email id		
Business Activity	Existing:	
	Proposed:	
Date of Commencement (DD/MM/YYYY)		
Social Category	General/ SC/ ST/ OBC/ Minorities (Tick)	
If minority	Buddhists/ Muslims/ Christian/ Sikhs/ Jains/ Others (Tick)	

Information of Applicant/ Proprietor/ Partners/ Directors:

Sl	Name	Date of Birth	Sex	Residential Address with Mobile Number	Academic Qualification	Experience
1						
2						

Sl	ID Proof	ID Proof No.	Address Proof	Address Proof Number	PAN/ DIN No.
1					
2					

Name of the Associate Concerns and Nature of Association:

Names of Associate Concerns	Address of Associate Concerns	Presently banking with	Nature of Association	Extent of interest as a Prop./ Partner/ Director

Banking/ Credit Facilities (Existing): Rs. …. in lakhs

Facilities	Presently banking with	Limits availed	Outstanding as on …….	Security offered	IRAC status
Savings Account		NA			
Current Account		NA			
Cash Credit					
Term Loan					
LC/ BG					
If banking with us, CIF No.					
It is certified that our unit has not availed any loan from any other Bank / Financial Institution in the past and I/we am/are not indebted to any other Bank / Financial Institution other than those mentioned above.					

Credit Facilities (Proposed): Rs. ….. in lakhs

Type of facilities	Type of fixed asset	Supplier's name	Total Cost	Margin (Rs)	TML Subvention	Loan Required (Rs)
Overdraft	NA	NA	NA	NA	NA	
Term Loan						
Repayment period requested						

Past Performance/ Future Estimates: (In Rs. ..)

Past Performance / Future Estimates (Actual performance for two previous years, estimates for current year and projections for next year to be provided for working capital facilities. However, for term loan facilities projections to be provided till the proposed year of repayment of loan)				
	Past Year-II (Actual)	Past Year-I (Actual)	Present Year (Estimate)	Next Year (Projection)
Gross Receipt				
Net Profit				

Status Regarding Statutory Obligations:

Statutory Obligations	Whether complied with (Yes/ No/ NA)	Remarks (Any details in connection with the relevant obligation to be given
1.Registration under Shop & Establishment Act		
2. Registration under MSME (Prov./Final) URC		
3.Certificate of Membership Certificate of Practice		
4. Latest Income Tax Returns filed		
5. Any other Statutory requirements		

GO/ No Go:

Criteria	**Decision**
CAs who are in panel of SBI for audit	**No Go**
CAs who are under cooling period (i.e. 1 year for Statutory Auditors and 2 years for Central Auditors)	**No Go**

Declaration:

I/We hereby certify that all information furnished by me/us is true, correct and complete. I/We have no borrowing arrangements for the unit except as indicated in the application form. There is/are no overdue/ statutory due owed by me/us. I/We shall furnish all other information that may be required by Bank in connection with my/our application. The information may also be exchanged by you with any agency you may deem fit. You, your representatives or Reserve Bank of India, or any other agency as authorized by you, may at any time, inspect/ verify my/our assets, books of accounts etc. in our factory/business premises as given above. You may take appropriate safeguards/action for recovery of bank's dues.

In the event of my defaulting in repayment under the loan sanctioned, I am aware that the Bank would be reporting the same to ICAI/ NFRA.

Space for photo	**Space for photo**	**Space for photo**
(Signatures of Proprietor/partner/ director whose photo is affixed above)		

Date:
Place:

Check-list of documents to be submitted:

i) Photocopy of PAN Card.
ii) Photocopy of Udyam Registration Certificate (URC).
iii) Photocopy of Udyog Aadhar No./ Aadhar no.
iv) Photocopy of address proof.
v) Photocopy of Income Tax Return.
vi) Bank account statement for last 6 months.
vii) Photocopy of GST registration number, if available.
viii) Details of previous banking arrangements.
ix) Photocopy of Certificate of Membership/ certificate of Practice.
x) Details of Assets & Liabilities.
xi) Invoice, Margin Money details.

Annexure-IV

Name of the Product: SME Finance For CAs under CLP

APPRAISAL FORMAT

Circle:	**SMEC:**	**Branch:**
Borrower's Name:		

Scoring Summary	
	Marks Scored
Scores obtained	/100

*(To be eligible under the scheme, the unit should get a minimum score of 50%)

1.	**PROPOSAL FOR**	
	a) Sanction of	

2.	Details of Credit limits			*(` in lakhs)*
	Facility	Existing Limits	Facility	Proposed Limits
	CC		CC	
	TL		TL	
	Others		Overdraft	
	Total limits		Total limits	

3.	Name of the Borrower	
4.	Name of Promoter	
5.	Address (Office)	
6.	Constitution	
7.	Line of activity	
8.	Year of Incorporation	
9.	Banking with SBI since	
10.	IRAC Status	
12.	Date of last sanction (N/A for fresh exp.)	
13.	**PROFILE OF THE BORROWER**	
	Registered Office (Full Address)	
	Residential Address	
	Udyog Aadhar Number/ Udyam Registration	
	Priority Sector	Yes / No Reason:
	Value of Plant & Machinery / Equipment	
14.	Date of Application	

a) Names & Addresses of the Promoters / Directors /Partners /Proprietors:

S. No.	**Name**	**Desig n.**	**Identifiers**	**Date of Birth**	**Full Address, e-mail, mob. no.**

				DIN	Passport	PAN No.	Aadhar	Other		
1										

[* *Identifiers based on KYC guidelines]*

15.	**Brief background & History :-(to be brief and in bullet points only)**
	(Comments on Business Model, management, products, tie-up arrangement if any, quality approvals / certifications etc)

16.	**Performance and financial indicators:**		***(` in lakhs)***
Financial Parameters	**Audited/ Unaudited Last 3rd Year**	**Audited/ Unaudited Last 2nd Year**	**Audited/ Unaudited Last Year**
Gross Receipts			
GST			
Net Receipts			
Expenses (Employee Benefit,			
Depreciation			
PBT			
Tax			
PAT			
Net worth			
TOL/TNW			
Current Ratio			
NWC			
DSCR			

17.	**Assessment of Overdraft limit:**		***(` in lakhs)***
	Particular	**Assessment by CLP**	**Assessment by Branch**
a	Gross receipts for the last FY		
b	Eligible Bank Finance (25% of ‘a’)		

(Gross receipts to be related with credit summations in the account and also to be verified from Form 26AS to ascertain the receipts)

Justification of Any deviation in assessed limit:

18.	**Deviation in Scoring from available in CAM report**	
Risk Sub Factor	**Score as per CAM**	**Score confirmed by branch**
Retail CIR score of promoters		
Age		
Owning a house		
Gross annual income as per ITR		
Business Premises		
Number of years since registration as CA		
Resident of the same city		
Length of relationship with our Bank (Only credit relationship		

or Operative accounts to be considered)		
Length of relationship with other Bank (Only credit relationship or Operative accounts to be considered)		
Net worth of the promoter (to be calculated based on notarised affidavit supported by documents)		
DSCR (for TL only. To be normalised for Overdraft)		
Total Score		

19.	**Recommendations and Justification: (In bullet points)**
	a. . b. . c. .

20.	**Certification & Declaration by Appraisal and Assessment officer:**
	a. We confirm that KYC has been verified. b. We confirm that the score has been validated independently. c. We confirm that pre-sanction inspection has been carried out with & reported satisfactory. d. All the approvals for the deviations from the Bank's policy guidelines and/or non-matched parameters as per CAM report, if any have been submitted for approval/approval obtained. e. The Actual sales/ receipts have been cross checked from the documentary evidences provided by the applicant/borrower. f. The data available in CAM report has been scrutinized and found correct. g. The Terms and Conditions as stated above have been verified. h. The CAM report received from the portal have been uploaded and placed as annexure. i. The CIC report available in the portal has been verified and kept on record. a. For term loans, the project report / invoices have been scrutinized and vetting completed, if required. b. CIR / Opinion report on borrower & associate firms, Promoters from other Banks / Financial Institutions. j. Opinion report on suppliers (Machinery & Equipment) and sundry creditors from their Bankers / D&B street/ MIRA etc. k. Undertaking signed by CA that he/she is not empanelled for audit in SBI has been obtained. CA is not under cooling period with the Bank for Statutory Audit.

21.	**Recommended for sanction / approval / confirmation on the terms and conditions**	
	i) Sanction of	

	Appraised by	Assessed by	Additional	Sanctioned by	Controlled by

			Assessment (if applicable)		
Signature					
Name					
Designation					
PF No.					
Mail ID					
Date					

ASSESSMENT OF LOAN

Circle:	**SMEC:**	**Branch:**
Borrower's Name:		

OVERDRAFT

1.

	(Rs. in lakhs)
a. Gross receipts for the last FY #	
b. Eligible Bank Finance (25% of 'a') #	
Bank finance Recommended	

To be related to credit summations and to be verified from Form 26AS to validate the receipts/ credit summations.

TERM LOAN:

2. Project Details Rs.in lakhs.

Project cost	Cost	Margin (%)	Margin amount	Required Bank Finance
Land &Buildings				
Plant& Machinery				
WC margin				
Contingencies				
Total project cost				
Means of finance				
Own funds				
Borrowings from friends and relatives				
Bank finance				
others				
Total means of finance		Debt /Equity :		

3. Details of capital expenditure i.e land and factory building as well as machinery proposed to purchase:

Details of the supplier:

Name	Invoice Date	Invoice Amount

(Opinion Report on supplier to be obtained)

4. Remarks on cost of project & means of finance (in brief)

5. Term Loan Assessment: ` in lakhs

Years	1 (Act)	2 (Estd)	3 (Estd)	4 (Estd)	5 (Estd)	6 (Estd)
Net Profit / Net Income						
Depreciation						
Cash Accruals						
Repayment obligations (including Interest)						
DSCR						

6. Project implementation schedule:

7. Comments on Commercial viability:

TERMS AND CONDITIONS

<table>
<tr><td rowspan="2">1.</td><td>Facility</td><td colspan="2"></td></tr>
<tr><td>Limit</td><td colspan="2"></td></tr>
<tr><td rowspan="4">2.</td><td colspan="3">Security</td></tr>
<tr><td>Primary</td><td colspan="2">Overdraft:
Term Loan:</td></tr>
<tr><td>Collateral</td><td colspan="2"></td></tr>
<tr><td>Personal Guarantee (Indicate Net worth of Guarantors with date of compilation of opinion reports)</td><td colspan="2"></td></tr>
<tr><td>3.</td><td>Interest</td><td colspan="2">Overdraft:
Term Loan:</td></tr>
<tr><td>4.</td><td>Margin (%)</td><td>Overdraft: Nil</td><td>Term loan: 25%</td></tr>
<tr><td>5.</td><td>Repayment</td><td colspan="2">Overdraft: Repayable on demand.
TL:</td></tr>
</table>

6.	Validity of Sanction, Review/Renewal	Sanction valid for one year.
7.	Inspection	Quarterly for TL
8.	Stock Statement	Not required.
9.	Insurance	Comprehensive insurance to be taken by the borrower
10.	Processing fee	
11.	EM Charges	
12.	Commitment Charges	Overdraft:- Term Loan:-
13.	Penal Interest	
14.	Documents	As per SME Documentation
15.	Other Stipulations, if any.	

Circle:	SMEC:	Branch:
Borrower's Name:		

1. Security: **(Rs. in lacs)**

Facility	Limits	Primary Security		Collateral Security	
		Movable	Immovable L& B	Specified / Liquid Security	Immovable Land & Building
Overdraft		Nil		Nil	
T L					
Whether the immovable property is SARFAESI compliant:					

1.(i) Details of the Immovable property (Primary / Collateral): (In case of loan is under CGTMSE Guarantee scheme please enter the details of the immovable property, which is eligible for mortgage under CGTMSE rules)

Details of the property	In case lease hold details of leaser	Owned by Unit /Prop/, Name	Type of Charge /TIR date & Adv name	Realizable Value	Date of valuation & Valuer Name	CERSAI Asset ID
Not						

The above properties have been inspected by ……………………… & ………………………….. and genuineness of title verified. We also found the valuations of the property to be reasonable. The Certified copy of the title deeds obtained from Sub-Registrar office and compared with the originals.

2. Due Diligence: Whether names of promoters, directors, company, group concerns figure in defaulter / wilful defaulters list

Defaulter Status (Y / N)	RBI Defaulter's List (INR 1cr+)	Willful Defaulters List (INR 25L	Disqualified Directors	Loan Rejection List	ECGC Caution List	CICs - Credit history	CICs - Suit Filed List	Banned List of Promoters (SEBI)	Non-Cooperative Borrowers List	Commercial Bureau	Consumer Bure
Company / Director / Guarantor /											
Observations w.r.t. to any of the above checks OR remarks on cells with defaulter status 'Y' above											

4. Deviations in Loan Policy

Parameters	Desirable Level as per loan policy	Unit's Level on	Justifications (Max 200 characters)

	Mfg	Others	dd/mm/yy	
TOL / TNW				
Liquidity				
Debt / Equity				
Promoter's Contribution				
Non-Compliance of Norms for Strategic Schemes: viz: TUFS, CRE and Others				

5.	**Details of Due Diligence:**	
	Date of Pre-Sanction visit	
	Place(s) visited	a.
	Name(s) of officials, who visited	
	Whether papers required for KYC obtained (PAN/Articles/Memo etc)?	Yes/No
	Genuineness of CA membership confirmed	Yes/ No
	Date of Search Report obtained from ROC, in case of companies	Yes/ No
	Udyam registration checked?	Yes/ No
	Other Observations, if any	
	Immovable property has been physically verified on	

Annexure-V

Standard Operating Procedure (SOP)

A SOP has been prepared in line with product features to facilitate the operating functionaries which is as under:
Lead Generation & Customer Contact
C.A.s will key in the required information/ data in the CLP platform. C. A. will feed and upload C.A. certificate, ITRs, GST details etc as required on CLP. The portal will run rule engine and if eligible, then in-principle approval will be generated. Only CLP in-principle approved proposal will be taken by our bank for further processing. Branch/ CPC will contact the customer after in-principle approval of the proposal.
Activities to be performed by processing official/processing Cells/Branch
Branch/ CPC will contact the customer and obtain application form to the customer as per Annexure-III and get it filled and duly signed by the customer. Undertaking duly signed by the CA that he/she is not empaneled in SBI for audit, to be obtained. Branch/ CPC will scrutinize and enter the application form in the Loan Application Received and Disposal Register/IT Tool and to be branded with the reference number. Enter the lead in CRM. Branch/ CPC will do KYC of the promoters, borrowing entity, on the basis of documents provided by the customer. Master direction on KYC as mentioned in Circular No. R&DB/OPS-KYC/KYC/12/2019-20 dated 13.02.2020 to be followed. CA's current status/ genuineness to be checked through URL https://www.icai.org/traceamember.html by inputting membership number of CA. (Screen shot to be kept on record). Verify CIBIL (CIC), RBI Defaulter list, Willful defaulter list, Caution list, I-probe, Loan rejection / slippage list, Banned list of promoters of SEBI, ECGC caution list etc. Branch/ CPC will conduct the Pre-Sanction Inspection by visiting office and residence of the Firm/ CA.

Branch/ CPC to obtain the following documents from the customer
In Case of audited financials, income can be verified from the same and for the

unaudited cases for verifying the income, ITR form (downloaded from Income Tax Portal) which will contain details regarding the receipts and income, will be obtained. Branches can cross check that receipts from bank statements and from Form 26AS (TDS details). Invoices/ quotations/ project report for the Equipment/ Fixtures to be purchased, should be obtained. Opinion Report on supplier should be obtained and verified. Details & profile of associates, their banking arrangement, financials for the last year, if any. License/ approval from regulatory authority, a declaration about the existing banking/ borrowing arrangements, if any. Assets & Liability statement of the promoters as per bank's instructions. Branches/ CPCs to do Go-No-Go exercise and scoring exercise to ensure that only eligible loans are processed. However, proposals will also be checked on CLP and in case of No-Go, applicant will be advised through email. If customer qualifies as per Go-No-go and Score card, process the loan and put up to the sanctioning authority.
Rejection to be approved by Regional Manager/ AGM SME/ Branch head of direct control branches in the rank of AGM.

Branch/ CPCs will advise the sanction to the borrower. Discuss with the customer regarding documentation formalities/ requirements fulfilment of terms & conditions stipulated in the sanction letter and likely time for completion of the formalities. Documents to be prepared by the branch/ CPC. Hand over the sanction letter to the applicant and arrange for the execution of the documents as per bank's extant instructions. Do the formalities required for CGTMSE coverage. CGTMSE coverage is mandatory for Term Loan only. OD is clean in nature. CGTMSE fee will be paid annually. This will be recovered from the customer and remitted to CGTMSE. Detailed SOP for operating units issued by the Bank vide Circular No. NBG/SMEBU-CGTMSE/37/2019-20 dated 08.08.2019 to be followed.
Open the account in CBS and recover the processing charges. Loans to be classified as PSL. Current account with other Banks to be closed after disbursement. However, borrower will have to undertake at the time of application submission that he will close current account with other bank after disbursement. Current account closure letter duly signed by the Branch Head to be obtained and kept on record. Disburse the loan. Amount disbursed plus margin received from the borrower, to be remitted to the supplier/ contractor (in case of TL). Registered letter (with the

acknowledgement letter) to supplier/ contractor to be sent in the prescribed format to ensure that supply of goods/ material is undertaken by the supplier. Acknowledgement copy of the letter to be obtained and kept in record.

Inspection to be done immediately by the branch after disbursal of the loan to ensure end use of funds. In case of Term Loan, FSMTL-1 to be obtained quarterly during construction/ implementation. Report in FSMTL-2 to be compiled. After completion of construction/ Installation of fixed asset, FSMTL-3 to be compiled.

Ensure insurance cover, for the assets financed for which loan has been sanctioned, should be taken.

Collect the post-sanction documents like Invoices, Margin Money receipts, Insurance copy from the borrower and keep on record. Cross check all the documents with the supplier through mail/ letter.

Branch/ CPC to do the monitoring of account.