Objective

- To meet the credit needs of entities/projects creating fixed assets as part of the project/business or offering fixed assets as collateral.

Indicative profile of such businesses

- Hotels, Hospitals, Logistic Companies etc.

Eligibility

- New/Existing Service Sector Entities

Forms of assistance

- Term Loan/Revolving Term Loan/Line of Credit

Quantum of assistance

- Need-based. Generally not less than ₹50 lakh.
- Maximum assistance is subject to caps not exceeding ₹50 crore for registered MSME units and ₹35 crore for other eligible service sector projects.

Eligible heads for financing

- Project assistance: for setting up new facilities or upgradation/expansion of existing facilities. Along with capex, assistance could also be provided for WC gap/margin money for WC, intangibles and any other bonafide business expenditure.
- Exclusive equipment finance: exclusive assistance for equipment
- Non project assistance: Won capex assistance for WC gap/margin money for WC, intangibles, and any other bonafide business expenditure.

Rate of Interest

- As per credit rating and linked to PLR.

Repayment Period

- Upto 12 years including moratorium for project-based assistance.
- For non-project assistance, upto 5 years including moratorium.
- For exclusive equipment financing, generally 3-6 years including moratorium.
- Repayment could be fixed installments or ballooned in line with the expected cash flow.
- For seasonal industries/businesses, repayment could be suitably structured

Security

- The assistance shall be secured by assets acquired under the assistance and/or other unencumbered assets of the borrower.
- Other acceptable collateral securities, as may be stipulated.

Upfront Fee

- Upto 2 %

For enquiries, please contact the nearest SIDBI office

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