

Frequently Asked Questions

For the facilitation and convenience of Bank’s existing and prospective Clientele, listed down are the most Frequently Asked Questions.

Q1. How are SMEs (Small and Medium Enterprises) defined?

A Small Enterprise (SE) is a business entity which meets the following parameters:

Number of Employees	Annual Sales Turnover
*Up to 50	Up to Rs. 150 million

**including contract employees.*

Further, an entity has to fulfill both the criteria of number of employees and sales turnover for categorization as small enterprise. However, in cases where an entity fulfills one parameter of SE and its second parameter falls within the range prescribed for medium enterprise (ME) or above the upper limit prescribed for ME, then the subject entity shall be classified as ME or commercial/corporate entity as the case may be.

Definition of a Medium Enterprise:

Medium Enterprise (ME) is a business entity, ideally not a public limited company which meets the following parameters:

*Number of Employees	Annual Sales Turn-Over
51-250 (Manufacturing & Service MEs)	Above Rs 150 million and up to Rs 800 million
51-100 (Trading MEs)	(All types of Medium Enterprises)

**including contract employees.*

Further, an entity has to fulfill both the criteria of number of employees and sales turnover for categorization as medium enterprise. However, when an entity’s one parameter is as per ME criteria and its second parameter is as per SE criteria, than subject entity would be categorized as ME. Similarly,

When an entity's one parameter is as per ME and its second parameter is above the upper limit prescribed for ME, then the subject entity shall be categorized as commercial/corporate entity.

Q2. How much amount can I seek from the Bank?

The Bank can provide financial assistance, i.e., funded up to 4 times of client/ borrower's equity and non-funded should not exceed 10 times of client/ borrower's equity and/ or business requirement whichever is lower. It is mandatory for the borrower to meet the eligibility criteria for the ISME financing.

Q3. What kind of security/ collateral Bank needs from the applicant?

Security/ collateral may vary from case to case basis. In most cases, it is mortgage of urban property, i.e., residential, commercial, industrial property along with personal guarantees.

Q4. How are the installments calculated?

Based upon the agreed profit rate and the cash flows of the proposed mode of Islamic Financing, the client/borrower is provided a tentative repayment schedule at the time of sanctioned limit. The actual amount of installment is provided to the client/ borrower at the start of each of the rental period.

Q5. What is the repayment period? Is there any grace?

The repayment period usually varies for each of the Islamic mode of financing. For Diminishing Musharaka the minimum period is eighteen months to a maximum of five years; however it would be linked to the cash flows of the enterprise. Normally the payments are in the form of monthly/ quarterly installments. Grace period depends on the nature of Islamic mode of financing.

Q6. What is the Finance Application Process?

1. Fill up Bank's loan application form
2. The details of required documents are mentioned in ISME Financing
3. Submit the above to our designated branches and/or respective Relationship Manager(s).

Q7. How can I obtain the application form and the details of required documents?

The required details are available on the given link and the said list can also be downloaded.

Q8. What if I need help in providing the required documents?

Our Relationship Managers would gladly assist you in the process.



Q9. How long does it take to process a Finance Facility Application?

After the applicant has provided the requested information along with attested documents, the process takes around 30 days. Any delays are usually because of inadequate information provided by the borrower.

Q10. What kind of business' Bank finances?

All businesses that are commercially viable and meet the Bank's lending criteria. Bank would like to ensure that financing is used for productive activities.

Q11. How to contact for Bank's Facilities?

You may contact the persons as detailed in the given link or may visit Bank's nearest branch for assistance.