

SCHEME FOR FINANCING AGAINST INPUT TAX CREDIT CLAIM UNDER GST- PNB MSME SAHAYAK

At present, MSME units are facing liquidity issues because of the problems in implementation of GST, increase in GST rates, delay in input credit realization & upfront payment at GST for interstate movement of stocks etc. As a result, many MSME units are experiencing difficulty, in meeting their working capital requirements.

2. in view of the above status and in order to cater to genuine needs of the MSME borrowers, a new Scheme has been introduced for **financing against the Input Tax Credit Claim under GST : 'PNB MSME Sahayak'**. However, the borrowers can avail advance under this scheme, **upto 31.03.2018 only**.

Facility	Working Capital Demand Loan (WCDL)
Loan Amount	<p>Maximum 20% of the existing fund based working capital Limit. Or 80% of the input tax claim due on purchases, whichever is lower.</p> <p>The above limit is over and above the Assessed Bank Finance.</p> <p>Chartered accountant's certificate to be obtained certifying the amount of pending input tax credit under GST for the last 3 months. (Independent verification of invoices to be verified in GSTN).</p>
ELIGIBILITY	<ul style="list-style-type: none"> • Existing MSME borrowers of the Bank enjoying working capital limit of Rs. 2 lac & above. • Amount of loan over the assessed bank finance will only be available only for those borrowers, whose limit has been assessed under Nayak Committee / Simplified Turnover method. • Account should be standard. • The threshold credit rating should be 'B1' and above.
Security	<p>Primary : Hypothecation of stocks and receivables including GST receivables</p> <p>Collateral : Nil</p>
Repayment	<p>This additional facility to be repaid in next 6 months after initial moratorium of 3 months :</p> <ol style="list-style-type: none"> a) Initial 3 months moratorium period. b) The additional amount shall be repaid either in one bullet payment or in 6 equated months installments in next 6 months after moratorium period is over c) Drawing power to reduce in line with equated monthly installments every month after moratorium period is over. d) Interest to be serviced every month. e) Input claims of exporters have to be escrowed to our Bank account.
Miscellaneous	WCDL facility to be sanctioned by sanctioning authority of the credit facilities, within his vested loaning power.
