

## FAQs on Commercial Loans

1. Who can apply for Commercial Loan?
  - Individuals: Self-employed professionals, single proprietors, and partnership firms, NRI Self-Employed
  - Businesses: Private limited corporations, public limited companies, and Limited Liability Partnerships (LLPs), HUF, Co-operative Societies, Partnership Firm, Trust,
  
2. What documents need to be submitted for a Commercial Loan?
  - Common Documents:
    - Duly filled loan application form
    - Proof of Identity: Aadhaar Card / Voter's ID Card / Passport / Driving License / PAN Card / Signature identification from present bankers of proprietor, partner of director (if a company)
    - Proof of residence: Aadhaar Card / Recent telephone bills, electricity bill, property tax receipt /Passport / voter's ID Card of Proprietor, partner of Director (if a company)
    - Proof of business Address
    - Memorandum and Articles of Association of the Company / Partnership Deed of partnership firms, etc.
    - Assets and liabilities statement of promoters and guarantors along with latest income tax returns.
    - Certificate of Incorporation
  
    - Proforma Invoice
    - Trust Deed
    - Income Tax Returns, Pay slip, Bank Statement
  
  - Additional documents based on activity undertaken-
    - SSI / MSME registration / Udyog AADHAAR Memorandum, if applicable.
    - Projected balance sheets for the next two years in case of working capital limits and for the period of the loan in case of term loan.
    - Last three years balance sheets Firm, Company, etc
    - Copies of lease deeds/ title deeds of all the properties being offered as primary and collateral securities

- Certificate of incorporation from RoC in case of company (CIN No. and DIN no. of directors)
- Bank Account details wherever applicable (with details of outstanding in case of existing loans / limits)
- GSTN No., if applicable.
- Sanction Letter of Existing Credit Facility (which is proposed to be taken over)
- IEC Certificate, if applicable
- LEI Certificate, if applicable
- GSTR-3B Returns.
- UDYAM Registration Certificate
- Proof of Activity (Commodity finance Business)
- Mandi License/license renewal receipt/license issues by respective board
- Valid shops & establishment certificate
- Entrepreneur's Memorandum issued by District Industry Centre
- Membership of any commodity exchange

There are certain documents, licensees, etc which are required based on the nature of the business entity such as manufacturing, trading, export-import, IT, service sector, etc

3. Do the Bank provide any checklist of documents required?
  - Scheduled Commercial Banks are members of BCSBI (Banking Code of Conduct and Standards Board of India) and thereby they commit that:  
We will provide you with a checklist of the documents to be submitted (compliant with legal and regulatory requirements) along with the loan application form to enable you to submit the application complete in all respects. **If required, we will assist you in filling up your loan application form.**
4. Do the Bank provide any acknowledgement for loan application?

- Scheduled Commercial Banks are members of BCSBI (Banking Code of Conduct and Standards Board of India) and thereby they commit that: We shall invariably provide you with an acknowledgement of your loan application, whether submitted online or manually, indicating therein the **time frame within which the application will be processed.**

5. Are there any specific loan products for Start Ups?

- The Banks are actively engaging themselves in the growth of Start Ups by developing dedicated loan products as well as Start Up specific Bank branches
- Some examples of loan products for Start ups from various Banks:
  - “MSME UDAAN” from SBI
  - “Union Start Up Scheme” from UBI

Similarly, all Banks have products catering to the needs of the Start Ups; only thing required is a viable business plan, financial statement and legal documents, etc

6. Is there any product promoting gender diversity?

- **Stand Up India**

The scheme facilitates bank loans between 10 lakh and 1 crore to atleast one women borrower per bank branch for setting up a greenfield enterprise.

7. Are there any government schemes specific to MSME/Start Ups under which Banks extend loan?

- Government has launched various scheme to promote MSME/Startup. Some of which are:
  - Pradhan Mantri Mudra Yojana
  - Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation
  - Stand Up India
  - SIDBI Make in India Soft Loan Fund for Micro Small and Medium Enterprises (SMILE)
  - Social Innovation Programme For Products: Affordable and Relevant to Societal Health (SPARSH)

8. Is it mandatory to provide Collateral security to avail a loan from Bank?
  - Bank may sanction collateral free loan to the tune of Rs.500 lakhs by availing credit guarantee for CGTSME under CGS-I
  - Secured loans – Asset is hypothecated in the name of Axis Bank against which the loan is being granted or FD based funding
  - Digital journey is available for quick sanction for both Auto and Two-Wheeler Loans
  - Yes, collateral is taken for both LAS & ODFD as secured products
  - Not in case of guarantee backed cases like CGTMSE or Unsecured Business Loan
  
9. Does Bank take very long to sanction a Commercial Loan -
  - Through the web portal [www.psbloansin59minutes.com](http://www.psbloansin59minutes.com), a borrower can get Digital Approval in just 59 minutes from anywhere at any time. Post Digital Approval, the time taken for loan disbursement depends on the information and documentation provided by the borrower on the portal and banks. The more accurate the data, the sooner the loan gets disbursed. Generally, post Digital Approval, the loan is expected to be sanctioned/disbursed in 7-8 working days.
  - 7-8 days for sanction.
  
10. Is there any recourse in case Bank resorts to undue delay or arbitrary rejection of loan proposal?
  - Every bank has a customer grievance redressal mechanism and in case of undue delay or arbitrary rejection of the loan, the complaint can be filed with bank's Grievance Officer.
  - If case of non-redressal, complaint can be escalated to Internal Ombudsman
  - Complaint can also be lodged with RBI Ombudsman.