

Summary of MSME related Loan Schemes, which are being Implemented by the Government

#	Loan Scheme	Small and Medium-sized Enterprises Line of Credit (SMELOC) Project	Enhancing Small and Medium-Sized Enterprises Finance Project (SMELOC2)	Stimulating Package for Re-energizing the MSME Sector in Sri Lanka	
				Loan Component I: Strengthening the Existing MSMEs and Start-ups	Component II: MSMEs in the NPL Category
1	Eligible Categories	Small and Medium Enterprises (SMEs)	Micro, Small and Medium-sized Enterprises (MSMEs)	MSMEs in operational	MSMEs in operational but classified as Non-performing borrowers
2	Eligible Sectors	All the sectors except trading, leasing and renting businesses	MSMEs in agriculture, tourism, manufacturing, technology, export-oriented sectors and any MSMEs that are women-led	MSMEs in manufacturing, construction, export-oriented, apparel, agriculture and agro base industries sectors and any MSMEs that are women-led	MSMEs in operational but classified as Non-Performing Borrowers due to unsettled existing loans resulting from the recent economic downturn (Fully closed-down MSMEs are excluded)
3	Types of loans	Investment, working capital, combined (investment+working capital)	Working capital	Investment	Working capital
4	Source of Fund	Asian Development Bank (ADB)	Asian Development Bank (ADB)	Government of Sri Lanka (GoSL)	Government of Sri Lanka (GoSL)
5	Eligibility Criteria	<p>(i) The enterprises must be registered. Sub borrowers who are not formally registered can submit evidence that its business registration application has been accepted by the Registrar of Companies or the respective local government authority.</p> <p>(ii) Sub borrowers (the parent company and any subsidiaries) must have annual turnover less than Rs. 1,000 million and less than 200 employees.</p>	<p>(i) The enterprises must be registered. Sub borrowers who are not formally registered can submit evidence that its business registration application has been accepted by the Registrar of Companies or the respective local government authority.</p> <p>(ii) Sub borrowers (the parent company and any subsidiaries) must have annual turnover less than Rs. 1,000 million and less than 200 employees.</p>	<p>(i) The enterprises must be registered. Sub borrowers who are not formally registered can submit evidence that its business registration application has been accepted by the Registrar of Companies or the respective local government authority.</p> <p>(ii) Sub borrowers (the parent company and any subsidiaries) must have annual turnover less than Rs. 1,000 million and less than 200 employees.</p>	<p>In addition to the eligibility criteria mentioned in clauses Loan Component I:, the following should also be applicable for component II of the loan scheme:</p> <p>(i) MSMEs that are in operational level but classified as Non-Performing Borrowers due to unsettlement of existing loans as a results of the recent economic downturn are eligible for obtaining loans under this component. Fully closed-down MSMEs are excluded.</p> <p>(ii) Priority should be given to persons / MSMEs which became NPL due to being a guarantor for other personal / business loans.</p> <p>(iii) Willful defaulters, defaults due to the diversion of funds, defaults due to frauds should not be considered.</p>
6	Implementing Licensed Banks (State and Private)	<ol style="list-style-type: none"> 1. Bank of Ceylon 2. People's Bank 3. Regional Development Bank 4. Hatton National Bank 5. Seylan Bank PLC 6. Sampath Bank PLC 7. Commercial Bank of Ceylon PLC 8. DFCC Bank 9. National Development Bank 10. Nations Trust Bank 11. Sanasa Development Bank PLC 12. Union Bank of Colombo PLC 13. Pan Asia Banking Corporation PLC 	<ol style="list-style-type: none"> 1. Bank of Ceylon 2. People's Bank 3. Regional Development Bank 4. Hatton National Bank 5. Seylan Bank PLC 6. Sampath Bank PLC 7. Commercial Bank of Ceylon PLC 8. DFCC Bank 9. National Development Bank 10. Nations Trust Bank 11. Sanasa Development Bank PLC 12. Union Bank of Colombo PLC 13. Pan Asia Banking Corporation PLC 	<ol style="list-style-type: none"> 1. Bank of Ceylon 2. People's Bank 3. Regional Development Bank 4. Hatton National Bank 5. Seylan Bank PLC 6. Sampath Bank PLC 7. Commercial Bank of Ceylon PLC 8. DFCC Bank 9. National Development Bank 10. Nations Trust Bank 11. Sanasa Development Bank PLC 12. Union Bank of Colombo PLC 13. Pan Asia Banking Corporation PLC 14. State Mortgage & Investment Bank 15. Cargills Bank 	
7	Maximum Loan Amount	Rs. 50.0 million - Multiple loans can be obtained up to Rs. 50 million	Rs.10 million - A MSME can obtain only one loan	Rs. 15 million per MSME - A MSME can obtain only one loan	Maximum Rs. 5 million per MSME - A MSME can obtain only one loan

8	Interest Rate	(i) Interest rate as determined by PFIs based on their borrowed rate, Administration costs, Risk coverage and possible interest margins. The interest margin of the PFI should be in accordance with the market rates. (ii) Current rate is maximum 10%	Maximum 8%	Maximum 7%	Maximum 8%
9	Grace Period	Maximum 02 years	Maximum of 06 months	Maximum of 12 months	Maximum of 6 months
10	Repayment Period	Generally ten (10) years including grace period. However, considering the loan repayment date of banks to government, maximum loan repayment period has been reduced up to 05 years.	Maximum of three (03) years including grace period	Maximum of 10 years including the grace period	Maximum of 5 years including the grace period
11	Requirement of Guarantees/Collaterals	(i) Working Capital Loans should be non-collateralized . (ii) PFI should obtain suitable collateral for other loans to minimize the risk involved in disbursement and recovery of loans.	Be able to provide collateral if any, as determined by the PFI.	Be able to provide collateral if any, as determined by the PFI.	PFIs should obtain required securities to mitigate the risk by revaluating the existing assets that were collateralized to the bank by the respective sub-borrower or in cases where the reevaluated assets are insufficient to cover the risk of the new loan, the respective bank
12	Development Targets	(i) 20% of the total number of Sub loans shall be made to Start-ups (ii) 20% of the total number of Sub loans shall be made to SMEs that are led by women. (iii) All the loans shall be made to targeted SMEs (start-ups/women-led/out of Colombo or non-pledged working capital)	(i) At least 10% of the total number of sub loans shall be made to MSMEs that are led by women. (ii) At least 10% of the total number of sub loans shall be made to MSMEs, who have climate finance components		