

**J&K Bank Scheme for Creation of New MSMEs in Focus & Sunrise Sectors**  
**(JK Bank MSME Aghaaz)**

<b>Purpose</b>	The programme aims to boost enterprises in specific sectors based on the contextual strengths & needs with the aim of: <ul style="list-style-type: none"> <li>• Leveraging inherent strengths of Jammu &amp; Kashmir and supporting local entrepreneurs &amp; empower indigenous community businesses (<b>Focus Sector</b>)</li> <li>• Promoting enterprises in potential sectors growth and expansion (<b>Sunrise Sector</b>)</li> </ul>		
<b>Focus and Sunrise sectors</b>		<b>Focus Sectors</b>	<b>Sunrise Sectors</b>
		<ul style="list-style-type: none"> <li>• Leveraging inherent strengths and supporting local entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting enterprises in potential sectors for growth and expansion</li> </ul>
	Agriculture	<ul style="list-style-type: none"> <li>• Horticulture (Apple / Walnuts / Almonds etc)</li> <li>• Agriculture (Saffron / Basmati / Rajmash etc)</li> <li>• Dairy Production</li> <li>• Livestock</li> </ul>	<ul style="list-style-type: none"> <li>• Medicinal &amp; Aromatic Plants</li> <li>• Aquaculture</li> <li>• Floriculture</li> <li>• Beekeeping</li> <li>• High-tech Vegetable Cultivation</li> </ul>
	<ul style="list-style-type: none"> <li>• Industries</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-processing</li> <li>• Handicrafts</li> <li>• Handloom</li> <li>• Textile</li> <li>• Sports Equipment Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>• Hydropower</li> <li>• Pharmaceutical</li> <li>• Metal &amp; Mining</li> <li>• Paper &amp; Paper Products</li> <li>• Knowledge-based Enterprises</li> </ul>
	Services	<ul style="list-style-type: none"> <li>• Cultural Tourism</li> <li>• Religious Tourism</li> <li>• Trade</li> <li>• Logistics &amp; Transportation</li> <li>• Healthcare</li> <li>• Real Estate &amp; Housing and so on.</li> </ul>	<ul style="list-style-type: none"> <li>• Adventure Tourism</li> <li>• Eco Tourism</li> <li>• IT / ITeS</li> </ul>
	<p><i>Note: - The list is indicative and not exhaustive.</i></p> <p>The following are considered negative activities and won't be permitted under this scheme:</p> <p>Any business connected with the manufacturing of intoxicant items like beedi/pan, cigarette, liquor etc. However, hotels/dhabas that serve liquor will be permitted.</p>		
<b>Nature of the loan</b>	Financial assistance under the scheme can be availed in the form of Term Loan facility and/or Working Capital Loan.		
<b>Eligibility</b>	<ol style="list-style-type: none"> <li>1. The beneficiary must be in the age group 18-59 years.</li> <li>2. Eligible applicants shall belong to the domicile of Jammu &amp; Kashmir, including Kashmiri migrants who may have taken up residence in other parts of the country. However, the business operations they establish must be within the Union Territory of Jammu &amp; Kashmir. If the location of the activity is significantly distant from the beneficiary's domicile, his case will be processed at the branch nearest to his place of activity.</li> </ol>		

	<div>3. The scheme applies to micro, small, and medium enterprises (MSMEs) operating in the focus and sunrise sectors.</div> <div>4. Applicants who have availed other government schemes before can also apply but only if they have fully repaid those loans at least 6 months before applying for this Scheme. Further, they must use the benefits under this Scheme only for the creation of new enterprises. Furthermore, it must be ensured that no member of applicant’s family is a defaulter of any previously availed benefit under any govt. sponsored self-employment scheme.</div>												
Project Cost	Above Rs 10 lakhs and up to Rs 125 Crore												
Bank finance	Maximum 80% of Project Cost												
Margin Money	Minimum 20% of Project Cost												
Financial Assistance under the scheme	<div>Interest Subvention shall be provided for specific projects (selected MSMEs) under Focus &amp; Sunrise Sectors of 6% p.a. for 5 years. The upper limit on interest subvention is defined for each category as follows:-</div> <table><thead><tr><th>Category</th><th>Investment Amount (based on MSME definition)</th><th>Upper Limit on Interest Subvention</th></tr></thead><tbody><tr><td>Micro</td><td>Up to 2.5 crores</td><td>5 lakhs or actual subvention amount, whichever is lower.</td></tr><tr><td>Small</td><td>More than Rs 2.5 Crores up to Rs 25 Crores</td><td>30 lakhs or actual subvention amount, whichever is lower.</td></tr><tr><td>Medium</td><td>More than Rs 25 Crores up to Rs 125 Crores</td><td>75 lakhs or actual subvention amount, whichever is lower.</td></tr></tbody></table> <div><ul style="list-style-type: none"><li>In case of early repayment of the loan, the actual interest amount or the upper limit - whichever is lower, will be given as interest subvention.</li></ul></div>	Category	Investment Amount (based on MSME definition)	Upper Limit on Interest Subvention	Micro	Up to 2.5 crores	5 lakhs or actual subvention amount, whichever is lower.	Small	More than Rs 2.5 Crores up to Rs 25 Crores	30 lakhs or actual subvention amount, whichever is lower.	Medium	More than Rs 25 Crores up to Rs 125 Crores	75 lakhs or actual subvention amount, whichever is lower.
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Security	<div>1.Primary Security:- Bank’s charge on assets created out of bank Finance.</div> <div>2.Collateral Security:-<ul style="list-style-type: none"><li>➤ Third Party Guarantee of two persons with sufficient net worth to withstand the liability*</li><li>➤ Mortgage of property having minimum realizable value equal to 75% of the Limit. *</li><li>➤ Personal Guarantee of Mortgagor(s)/Promoter(s)/Director(s) (wherever applicable) *</li><li>➤ CGTMSE cover for MSE units*</li></ul><i>*Depends on various factors. Kindly contact your concerned Branch for more details.</i></div>												
Interest Rate	<div>1) For MSE: Up to Rs.15.00 lakhs – RLLR+1.50% Above Rs.15.00 lakhs –RLLR+ Spread, As per internal rating of the borrower</div> <div>2) For Agri Loans: Up to Rs.15.00 lakhs – 1Y MCLR+1.50% Above Rs.15.00 lakhs –1 Y MCLR+ Spread, As per internal rating of the borrower</div> <div>3) Other than 1&amp;2 Above: Up to Rs.15.00 lakhs – RLLR+2.00% Above Rs.15.00 lakhs –RLLR+ Spread, As per internal rating of the borrower <i>[The nature of pricing shall be Floating (p.a.). Interest shall be charged with monthly rests]</i></div>												
Processing Fee	NIL												
Charges	CIBIL/CRIF/other charges shall be recovered upfront from the applicant. Penal charges on account of default in loan terms and conditions as per applicable charges schedule of the bank.												

<b>Moratorium</b>	Moratorium, in case of term loans on repayment will be provided to the borrower for a <b>maximum period of 06 months from the date of first disbursement. It can also be extended on request to the borrower who shall take up the matter with DLIC.</b>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>• Repayment of Term loan will be <b>maximum in 66 EMIs including moratorium period.</b></li> <li>• The working capital component, if any, shall be initially valid for a period of one year &amp; subject to annual review/renewal thereafter.</li> </ul>