



TIIC has always been at the forefront of helping entrepreneurs in the micro, small and medium scale sectors. So how do we provide loans? What is the procedure to apply for loans? Let's provide you with a walkthrough that answers the questions often raised.

Criteria for Sanction

TIIC sanctions loans to manufacturing and industrial units, service sector units like nursing homes, diagnostic centers, hotels, transport operators, besides commercial complexes, warehouses, godowns, kalyana mandapams etc. TIIC considers loans subject to Debt Equity Ratio (DER) norms i.e., 3:1 for the loans up to Rs.10.00 lakhs and 2:1 for loans above Rs.10.00 lakhs. The applicant shall offer collateral security ranging from 50% to 100% of the loan amount depending on the type of the scheme. For select schemes like Thulir, Fast Track EFS, there is further reduction in collateral security stipulation.

When it comes to working capital term loans, TIIC sanctions the same for existing good track record units, which have earned net profit for the last 2 years.

Percentage of project finance and quantum of loans

Depending on the line of activity and scheme type, 65% to 90% of the project cost (fixed assets like land, buildings and machinery) can be financed. 5 lakhs is the minimum loan quantum. The maximum sanction limit for proprietary / partnership concerns is 15 crores and for private / public limited companies is Rs.30 crores.

Application Process

The applicant has to submit the application (which can be obtained free of cost from TIIC Offices or downloaded from our website) along with a brief report about the project, availability of raw material, market tie-ups if any, experience of the promoter in that line and the security to be offered for the loan. The Business Development Officer/Project Evaluation Officer at TIIC Branches will assist the entrepreneur in this regard.

Time taken for sanction of loan

After submission of copies of the necessary documents/papers such as unit's land documents, building plan, machinery quotations, collateral property documents, relevant approvals, etc. TIIC considers loans subject to viability of the scheme, within 18 days if the loan is sanctioned at the Branch level and within 35 days if sanctioned at Head Office.

Loan disbursement

After execution of loan security documents and on fulfillment of disbursement conditions such as investment of initial capital, submission of approvals, and the loan will be released on the value of assets acquired, based on verification and valuation of assets by the TIIC officials / Empanelled valuers of TIIC.