



# **Pradhan Mantri Mudra Yojana,**

## **What is Mudra Loan?**

**How to Apply for Bank Loan, Offerings, Eligibility,**

**Loan Procedure, Interest Rates.**



## *Introduction*

**The biggest bottleneck to the growth of entrepreneurship in the Non-corporate Small Business sector is the lack of financial support to this sector. Most individuals, especially those living in rural and interior parts of India, have till recently been excluded from the benefits of formal banking system. They never had access to insurance, credit, loans and other financial instruments to help them establish and grow their micro businesses. So, the individuals turn to local money lenders for credit. The loan comes at high interest and often with unbearable conditions, which make these poor unsuspecting people fall in a debt-trap for generations. When businesses fail, the borrowers become vulnerable to the lender's strong-arm tactics and other forms of humiliation.**

**As per NSSO Survey of 2013, there are close to 5.77 crore small-scale business units, mostly sole proprietorships, which undertake trading, manufacturing, retail and other small-scale activities. Compare this with the organised sector and larger companies that employ 1.25 crore individuals. Clearly, the potential to harness and nurture these micro businesses is vast and the government recognises this. Today, this segment is unregulated and without financial support or cover from the organised financial banking system. The Hon'ble Prime Minister launched the Pradhan Mantri Mudra Yojana on 8th April, 2015. The scheme is aimed at “funding the unfunded”.**





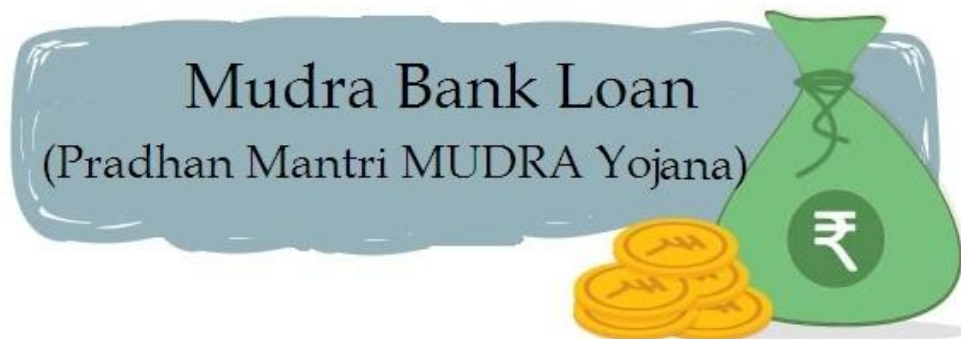
**It is intended to attain development in an inclusive and sustainable manner by supporting and promoting partner institutions and creating an ecosystem of growth for micro enterprises sector. The MUDRA Bank provides for policy guidelines for micro enterprise financing business. It aims at responsible financing practices to ward off over indebtedness and re-finance to Banks/NBFCs/MFIs. It also provides for formulation/facilitation of Credit Guarantee Scheme for providing guarantees to PMMY loans. A common notion about this sector is that extending financial support to this sector may not be sound practice on account of fears of default. This is not correct. At the time of inauguration of the scheme in April this year, our H'ble Prime Minister had mentioned about women's self-help groups. The Prime Minister had said that the kind of honesty showed by these loan takers is seldom seen in any other sector.**

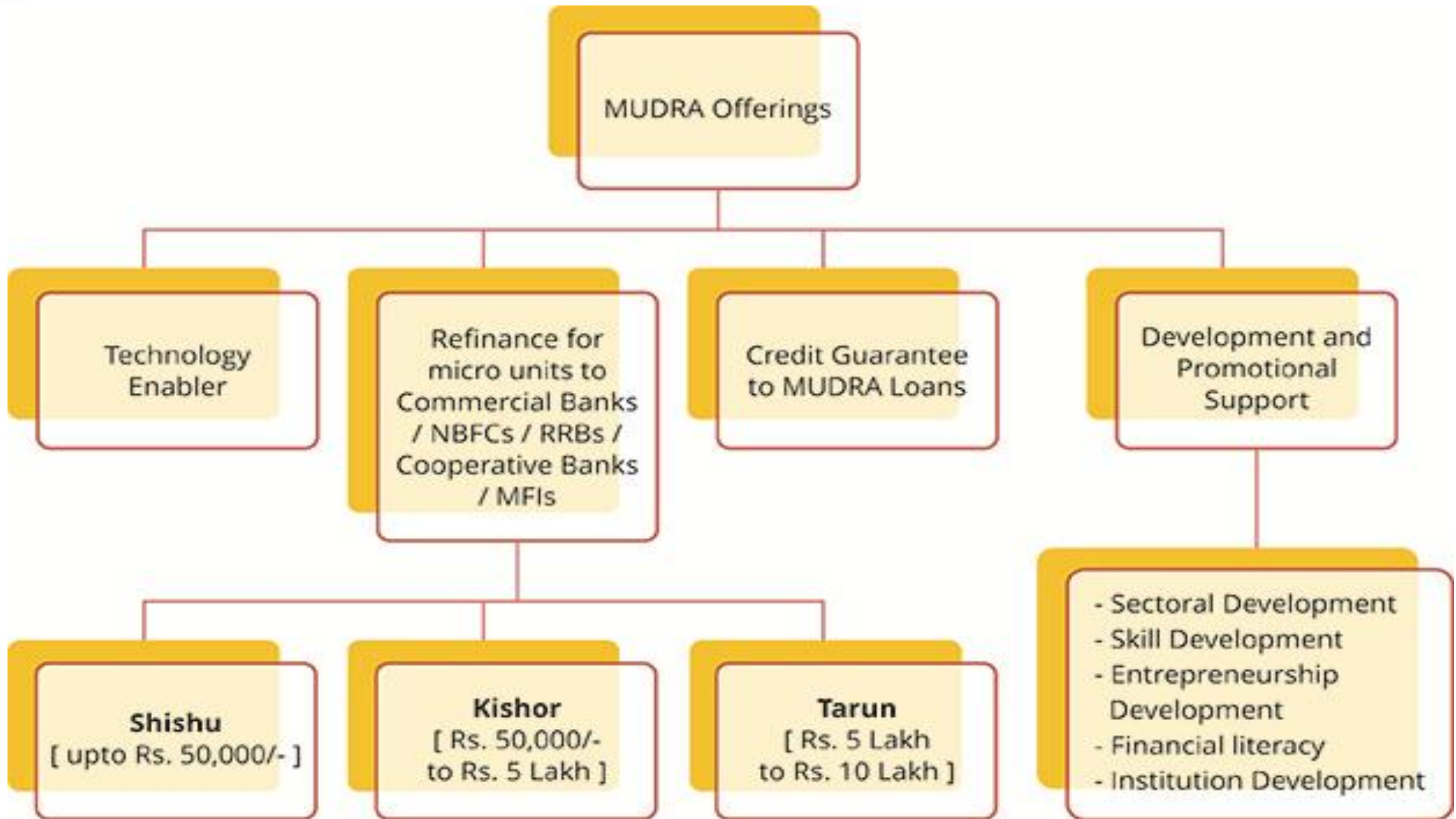


प्रधानमंत्री  
कपवरेड  
योजना

## ***Product / Offerings of MUDRA***

**Micro Units Development and Refinance Agency Ltd. [MUDRA] is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs for lending to micro units having loan requirement upto 10 lakh. MUDRA provides refinance to micro business under the Scheme of Pradhan Mantri MUDRA Yojana. The other products are for development support to the sector. The bouquet of offerings of MUDRA is depicted below. The offerings are being targeted across the spectrum of beneficiary segments.**







## ***Pradhan Mantri MUDRA Yojana (PMMY)***

**Under the aegis of Pradhan Mantri Mudra Yojana (PMMY), MUDRA has created products / schemes. The interventions have been named 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth to look forward to :**

- **Shishu: covering loans upto 50,000/-**
- **Kishor: covering loans above 50,000/- and upto 5 lakh**
- **Tarun: covering loans above 5 lakh and upto 10 lakh**



**It would be ensured that more focus is given to Shishu Category Units and then Kishor and Tarun Categories.**

**Within the framework and overall objective of development and growth of micro enterprises sector under Shishu, Kishor and Tarun, the products being offered by MUDRA are so designed, to meet requirements of different sectors / business activities as well as business / entrepreneur segments.**



**मूद्रा**



## ***The Funding Support from MUDRA are of Four Types:***

- **Micro Credit Scheme (MCS) for loans upto 1 lakh finance through MFIs.**
- **Refinance Scheme for Commercial Banks / Regional Rural Banks (RRBs) / Scheduled Co-operative Banks**
- **Women Enterprise programme**
- **Securitization of loan portfolio**

Mudra - Micro Units Development & Refinance Agency Ltd.



## ➤ *Micro Credit Scheme*

**Micro Credit Scheme is offered mainly through Micro Finance Institutions (MFIs), which deliver the credit upto Rs.1 lakh, for various micro enterprise activities. Although, the mode of delivery may be through groups like SHGs/JLGs, the loans are given to the individuals for specific income generating micro enterprise activity. The MFIs for availing financial support need to enroll with MUDRA by complying with some of the requirements as notified by MUDRA, from time to time.**

A graphic consisting of a series of vertical bars of varying heights, creating a stepped effect. A green rounded rectangle is overlaid on the bars, containing the text 'Micro Credit' in white.

Micro  
Credit

## ➤ *Refinance Scheme for Banks*

**Different banks like Commercial Banks, Regional Rural Banks and Scheduled Cooperative Banks are eligible to avail of refinance support from MUDRA for financing micro enterprise activities. The refinance is available for term loan and working capital loans, upto an amount of 10 lakh per unit. The eligible banks, who have enrolled with MUDRA by complying with the requirements as notified, can avail of refinance from MUDRA for the loan issued under Shishu, Kishor and Tarun categories.**

Startups



### ➤ *Women Enterprise Programme*

**In order to encourage women entrepreneurs the financing banks / MFIs may consider extending additional facilities, including interest reduction on their loan. At present, MUDRA extends a reduction of 25bps in its interest rates to MFIs / NBFCs, who are providing loans to women entrepreneurs.**

### ➤ *Securitization of loan portfolio*

**MUDRA also supports Banks / NBFCs / MFIs for raising funds for financing micro enterprises by participating in securitization of their loan assets against micro enterprise portfolio, by providing second loss default guarantee, for credit enhancement and also participating in investment of Pass through Certificate (PTCs) either as Senior or junior investor.**



## ***Purpose of MUDRA loan***

**Mudra loan is extended for a variety of purposes which provide income generation and employment creation. The loans are extended mainly for:**

- **Business loan for Vendors, Traders, Shopkeepers and other Service Sector activities**
- **Working capital loan through MUDRA Cards**
- **Equipment Finance for Micro Units**
- **Transport Vehicle loans**



*Following is an illustrative list of the activities that can be covered under MUDRA loans:*

➤ ***Transport Vehicle***

**Purchase of transport vehicles for goods and personal transport such as auto rickshaw, small goods transport vehicle, 3 wheelers, e-rickshaw, passenger cars, taxis, etc.**

➤ ***Community, Social & Personal Service Activities***

**Saloons, beauty parlours, gymnasium, boutiques, tailoring shops, dry cleaning, cycle and motorcycle repair shop, DTP and Photocopying Facilities, Medicine Shops, Courier Agents, etc.**

➤ ***Food Products Sector***

**Activities such as papad making, achar making, jam / jelly making, agricultural produce preservation at rural level, sweet shops, small service food stalls and day to day catering / canteen services, cold chain vehicles, cold storages, ice making units, ice cream making units, biscuit, bread and bun making, etc.**

➤ ***Textile Products Sector / Activity***

**Handloom, powerloom, khadi activity, chikan work, zari and zardozi work, traditional embroidery and hand work, traditional dyeing and printing, apparel design, knitting, cotton ginning, computerized embroidery, stitching and other textile non garment products such as bags, vehicle accessories, furnishing accessories, etc.**





➤ ***Business loans for Traders and Shopkeepers***

**Financial support for on lending to individuals for running their shops / trading & business activities / service enterprises and non-farm income generating activities with beneficiary loan size of upto 10 lakh per enterprise / borrower.**

➤ ***Equipment Finance Scheme for Micro Units***

**Setting up micro enterprises by purchasing necessary machinery / equipments with per beneficiary loan size of upto 10 lakh.**

## ➤ **Activities allied to agriculture**

**Activities allied to agriculture', e.g. pisciculture, bee keeping, poultry, livestock, rearing, grading, sorting, aggregation agro industries, diary, fishery, agriclincs and agribusiness centres, food & agro-processing, etc.(excluding crop loans, land improvement such as canal, irrigation and wells) and services supporting these, which promote livelihood or are income generating shall be eligible for coverage under PMMY in 2016-17.**



## ***Eligibility*** – WHO ARE ELIGIBLE TO AVAIL LOAN UNDER MUDRA SCHEME?

**Any Indian citizen or firm who wants to start his business in any field (other than agriculture) or want to move forward his current business and financial needs (financial needs) up to Rs 10 lakh, the Prime Minister Apply for a loan under the Mudra Loan Scheme.**



## **INTEREST RATES OF MUDRA BANK LOAN – INTEREST RATE**

**Under the Mudra Loan, there are no fixed interest rates. Interest rates can vary between different banks and bank interest rates can vary depending on the risk of the applicant's business. Usually Mudra Loan the interest rates are around 12% per year.**

**No subsidy is given on behalf of the government under the Mudra Loan Scheme. If the applicant has applied for any subsidy under any other scheme in which the government provides the capital subsidy, then the subsidy can be linked to Mudra Loan.**





## **HOW TO APPLY FOR MUDRA LOAN – *Process of Receiving Currency Loans***

### ***STEP 1: Gathering information and choosing the right bank***

**There is no fixed procedure for applying for loans under the money scheme. To get the loan, the applicant should first contact the banks around him and gather the complete information about the loan process and interest rate. To get the loan, you have to complete the application form and submit some documents along with it.**





## ***STEP 2: Preparing documents and submitting applications***

**To provide loans, banks usually want to get two types of information based on your financial needs in which they can demand different types of documents:**

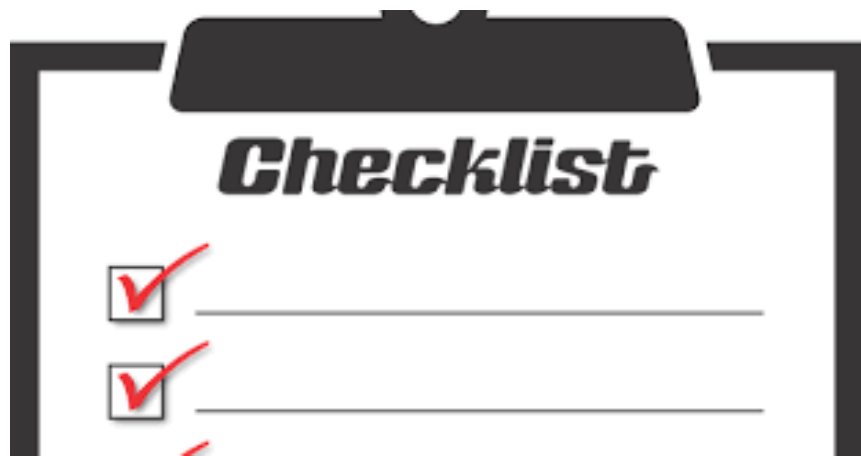
**By trying to find out the various documents such as Balance Sheet, Income Tax Returns, and information about your current business for the past two years, whether you have the ability to repay the loan with interest or not. Banks try to know that you're There are so many risks in business that they can ensure that the money given by them will be safe.**

**The bank tries to know your future Business Plan, Project Report, Future Income Estimates etc. to know about the type of loan used by the bank and how much and how much the benefits of business will increase due to that loan.**



## **CHECKLIST FOR MUDRA LOAN (DOCUMENTS REQUIRED)**

**Usually, for currency loan, you have to submit the following documents along with the application form. The number of Documents may be lower depending on the amount of loan, Business Nature, Bank Rules etc. (for example if you are taking up to 50000 loan, then you may need the Balance Sheet and Income Tax Return etc. Do not fall): Proof of identity – Self certified copy of Voter’s ID card / driving license / PAN Card / Aadhar Card / Passport**





## **HOW TO APPLY FOR BANK MUDRA LOAN**

- 1. Proof of Residence – Recent telephone bill, electricity bill, property tax receipt (not older than 2 months), Voter’s ID card, Aadhar Card & Passport of Proprietor / Partners.**
- 2. Proof of SC / ST / OBC / Minority**
- 3. Proof of Identity / Address of the Business Enterprise – Copies of relevant licenses/registration certificates / other documents pertaining to the ownership, identity, and address of the business unit.**





- 4. The applicant should not be the defaulter in any Bank / Financial institution.**
- 5. Statement of accounts (for the last six months), from the existing banker, if any**
- 6. Last two years, balance sheets of the units with income tax/sales tax retention.**
- 7. Projected balance sheets for one year in case of working capital limits and for the loan in case of term loan (Applicable for all cases from Rs.2 lakhs and above).**
- 8. Sales earned during the current financial year**



- 9. Project report (for the proposed project) containing technical and economic viability.**
- 10. Partnership Deed (in case of partnership firm) etc.**
- 11. Asset & Liability statement (In nonabsence of third party guarantee, from the borrower) 12. Partners may be requested to know the net-worth.**
- 13. Photos (two copies) of Proprietor / Partners.**



## **WHOM TO CONTACT FOR ASSISTANCE?**

**MUDRA has identified 97 Nodal Officers at various SIDBI Regional offices/Branch Offices to act as “first contact persons” for MUDRA. For information on MUDRA products and for any kind of assistance, the borrower can either approach/contact MUDRA office at Mumbai or the identified MUDRA Nodal Officers, whose details (along with contact numbers and mail ids) are made available at MUDRA’s Website. The borrower may also visit MUDRA website, [www.mudra.org.in](http://www.mudra.org.in) and can send any query/suggestion to [help@mudra.org.in](mailto:help@mudra.org.in).**

## Tags

Pradhan Mantri MUDRA Yojana, MUDRA Loan, PM Launches Pradhan Mantri MUDRA Yojana, Pradhan Mantri MUDRA Bank Loan Yojana, How to Take Loan Under Pradhan Mantri MUDRA Yojana? How to get MUDRA Loan under the Pradhan Mantri MUDRA Yojana, What is Pradhan Mantri MUDRA Yojana (Pmmy)? Bank Mudra Loan, Pradhan Mantri Mudra Yojana Scheme, Pmmy, Mudra - Micro Units Development & Refinance Agency, Mudra Loan Interest Rates in India, Loan Under Pradhan Mantri MUDRA Yojana (Pmmy), Micro Units Development and Refinance Agency Bank, Msme Loan, Msme Schemes, Small Entrepreneurs Banking on MUDRA Loan Scheme, How to get MUDRa Loan, MUDRA Loan for Small Businesses, Documents Required to Avail Loan in Mudra Loan, Mudra Bank Loan Eligibility, List of Documents Require for Mudra Bank Loan, Mudra Loan Scheme Details, Eligibility & Documents, Businesses You Can do with Pradhan Mantri MUDRA Yojana Loan, How to Apply for a Business Loan Under Mudra Yojana, Check List for Pradhan Mantri MUDRA Loan (Pmmy), MUDRa Loan India, Small Business Loan, MUDRA Bank Loan Details in India, Get Business Loan in Pradhan Mantri MUDRA Yojana, Loans for Women Entrepreneurs Under MUDRA Scheme, What is Mudra Loan Scheme, Offerings, How to Get Business Loan// Mudra Loan//Startup Business Loan//Pradhan Mantri Mudra Yojana, Mudra Loan Eligibility, Mudra Bank Loan Procedure, Mudra Loan Documents, Mudra Loan Subsidy, Mudra Loan Interest Calculator, Mudra Loan Repayment Schedule



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**An ISO 9001:2015 Company**



## Who are We?

- *One of the leading reliable names in industrial world for providing the most comprehensive technical consulting services*
- *We adopt a systematic approach to provide the strong fundamental support needed for the effective delivery of services to our Clients' in India & abroad*



## What do We Offer?

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## How are We Different ?

- *We have two decades long experience in project consultancy and market research field*
- *We empower our customers with the prerequisite know-how to take sound business decisions*
- *We help catalyze business growth by providing distinctive and profound market analysis*
- *We serve a wide array of customers , from individual entrepreneurs to Corporations and Foreign Investors*
- *We use authentic & reliable sources to ensure business precision*



# Our Approach

Requirement collection

Thorough analysis of the project

Economic feasibility study of the Project

Market potential survey/research

Report Compilation



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