

Mudra Loan (Clean Cash Credit Facility)

Hon. Finance Minister of Government of India while presenting Union Budget for FY 2016 announced establishing of Micro Units Development and Refinance Agency Ltd (MUDRA). Mainly, this scheme focuses on activities like non-corporate Small Business activities (informal sector) i.e. auto rickshaw/taxi drivers, small goods transporters, tailoring shops, local artisans, laundry persons, small vehicle repair shop, photo copying activities, small traders, courier agents, medical stores, food processing units etc.

Under the Mudra Scheme Banks can finance for 3 schemes:

Shishu	Loans upto Rs. 50,000
Kishore	Loans above Rs. 50,000 to Rs.5.00 Lakhs
Tarun	Loans above Rs.5.00 Lakhs to Rs. 10.00 Lakhs

1	Purpose	To meet working capital needs of Small Business Enterprises which are engaged in any income generating activity.
2	Quantum of Loan	Rs. 1.00 Lakh (Rupees One Lakh only) If borrower is availing any other Term Loan under Mudra then total limit should not exceed Rs.10.00 Lakhs
3	Margin	NIL
4	Rate of Interest	11.30%
5	Repayment period	12 months. Account to be renewed every year.
6	Security	NIL
7	Documents Required of Borrower	<p>1. KYC Papers are compulsory for cash credit limit. Borrower and Guarantors should be KYC compliant. KYC papers of business should also be taken on record.</p> <p>2. Copy of Pass Book/Statement of Account for a period of last six months to be obtained on record, if he is maintaining business operations account with other banks.</p> <p>3. In case of the Borrower running Business Enterprises, or Professionals, and Self Employed Persons – Certified true copies of Income Tax Returns of preceding two years accompanied with copies of Computation of Income and Profit and Loss Account and Balance Sheet.</p> <p>4. For existing Business Persons/ professionals, she/he should submit projected financials for next two years to estimate working capital limits</p> <p>5. For starting new business also projected financials for next two years to be taken to estimate working capital needs</p>
8	Guarantors	Two Guarantors
9	Processing charges	0.25% + GST

*T&C applicable

Mudra Loan (Term Loan Facility)

1	Purpose	To meet capital needs of Small Business Enterprises. Loan amount to be utilized for purchase equipment, shop/gala, plant & machinery, purchase of transport vehicle (passenger/goods). Purpose/End use of the Term Loan should be income generation. Income generating asset must be financed.
2	Quantum of Loan	Rs. 10.00 Lakhs (Rupees Ten Lakhs only) Including all loans. If working capital limit is also availed under Mudra then total limit should not exceed Rs.10.00 Lakhs.
3	Margin	25% irrespective of the amount of loan. For commercial vehicle on road price to be considered for calculation of MPBF (no accessories to be considered). For plant and machinery, equipment etc. cost as per quotation/Pro-forma invoice to be considered. For loan upto Rs.2.50 lacs Nil margin.
4	Rate of Interest	11.30%
5	Repayment period	Based on cash flow. Can be extended upto 84 months
6	Prime Security	Equipment, Plant and Machinery, Furniture Fixture to be purchased shall be hypothecated. Shop/Gala if purchased shall be mortgaged.
7	Collateral Security	1. No collateral security to be insisted for limit upto Rs. 2.50 lacs 2. For term loan above Rs.2.50 lacs collateral security in the form of liquid asset to the tune of 20% of the loan amount to be taken. Total collateral security should be minimum 20% of the loan amount.
8	Documents Required of Borrower	1. KYC Papers 2. Income papers of the applicant and the guarantor for last two years i.e Copy of IT returns, Computation of Income, Profit and Loss Account and Balance sheet. 3. Copy of Bank Statement of existing banker for last six months of the borrower and guarantors. 4. Copy of sanction letter and statement of account from the date of first sanction till latest date to be taken on records if any loan is availed by the applicant and guarantors. 5. For a person who is new entrepreneur KYC papers of business, copies of orders in hand (if any), evidence regarding experience in this line or educational qualification etc. to be taken on record. Quotation/Pro-forma Invoice of the asset to be purchased. 6. Estimated cash flow to determine repayment period of the loan. If the borrower has already taken any loan under Mudra from any Bank, then he cannot once again take loan from us. This should be ensured that he/she has not taken loan from any other Bank under Mudra Scheme.
9	Guarantors	Two Guarantors
10	Processing charges	0.25% + GST

*T&C applicable