

PRADHAN MANTRI MUDRA YOJANA

Salient features	<p>Pradhan Mantri MUDRA Yojana (PMMY) aims to ‘fund the unfunded’ and ‘formalise the informal’ under non-farm Micro Units in manufacturing, trading services and allied activities to agriculture with credit limit upto Rs 10 lakh.</p> <p>Under PMMY, three loan schemes are offered to entrepreneurs.</p> <p>SHISHU - loans upto Rs 50000 KISHORE – loans above Rs 50000 and up to Rs 5 lakh TARUN – loans above Rs 5 lakh and up to Rs 10 lakh</p>
Purpose	To provide timely hassle free credit to existing as well as new customers under MSME specifically Micro enterprises and Allied agri.
Eligibility	All new and existing Micro, Small and Medium Enterprises [MSMEs] engaged in manufacturing, trade & service activities and allied agricultural activities upto an amount of Rs.10 lakh.
Nature of Facility	<p>Working Capital, Over draft and Term loan,</p> <p>The loan shall be opened with following nomenclatures ONLY</p> <ol style="list-style-type: none"> a. PMYCC- Pradhan Mantri MUDRA Yojana – Cash Credit account b. PMYOD- Pradhan Mantri MUDRA Yojana – Over Draft account c. PMYTL- Pradhan Mantri MUDRA Yojana – Term Loan account <p>All other loans under Allied Agriculture Activities, Agro industries, Agri clinics, Agri Business, Food and agro processing and loans to Tractors and Power tillers are eligible under MUDRA Yojana.</p>
Loan Amount	Maximum quantum of loan to be sanctioned under the Scheme is Rs. 10 lakhs.
Margin	<p>For loan upto Rs.50000: 15.00% of the capital investment to be made.</p> <p>For loan above Rs.50000/ to Rs.10.00 lakh : Margin stipulation as per Credit Policy</p>
Rate of Interest	<p>Loans upto Rs.50000/[SHISHU] @ MCLR plus 1 %.</p> <p>For others the ROI is scheme specific and as applicable to MSME loans.</p>
Assessment	<p>All loans are to be processed as per the Scoring model.</p> <p>Working capital requirements shall be assessed in accordance with the Projected Turnover Method, as per Nayak Committee recommendations.</p>

	For Term loans, limit shall be assessed on DSCR/Expected Cash flow with Margin of 15% (for Shishu category loan) to 25% (Other category loans) on Project Cost.
Period	Term Loan: Maximum period of 7 years. Working Capital: Repayable on demand subject to renewal every year.
Security	The assets acquired out of bank finance shall be taken as primary security.
Delegation Of Lending Powers	As per the Scheme of Delegation of Lending Powers for respective Branch
Other Conditions	<ul style="list-style-type: none"> • Structured financial statements like Balance Sheet, P & L account, Project report, Stock statements need not be insisted up to Rs. 1.00 lakh. • Stock statements shall be obtained on quarterly basis for loans above Rs. 1.00 lakh. • Assets financed / Hypothecated should be comprehensively insured with Bank's clause as per extant guidelines
Mudra card	MUDRA cards are issued to working capital loans under non-farm sector in manufacturing, trading and services with credit limit up to Rs 10 lakh.