

F. No. 13(7)/2016-EM (Unit)
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture Cooperation & Farmers Welfare
DIRECTORATE OF EXTENSION

Krishi Vistar Bhawan
Pusa, New Delhi – 110012
Dated, the 29th March, 2017

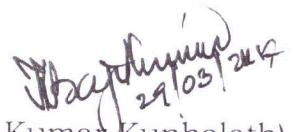
Subject: Availing of MUDRA loan under PMMY for Agri-Clinics and Agri-Business Centres Scheme-reg.

I am directed to forward herewith a copy of letter received from Managing Director & Chief Executive Officer (MD & CEO), Micro Units Development & Refinance Agency Limited (MUDRA), Mumbai, which confirms that the benefits of MUDRA loans can be extended to Agri-Clinics and Agri-Business Centres Scheme implemented under the Sub-Mission on Agricultural Extension (SAME) of Extension Division of DAC&FW, MoA&FW, Government of India, for establishment of agri-ventures by the candidates trained under the Scheme.

It is requested to kindly give necessary directions about this to all the stake holders involved under implementation of the Scheme for the benefit of agri-preneurs.

It is also requested to kindly furnish a compliance report on the action taken for further follow-up on the extent of facilities being captured by the agri-preneurs under MUDRA loan scheme.

Encl: as above


(Sajith Kumar Kunhalath)
Joint Director (EM)
Tel: 011-25848949
Mob: 09818954982
Jdext-agri@gov.in

To

1. Director General, MANAGE, Hyderabad- with a request to circulate the letter to all Nodal Training Institutes for necessary action
2. Chairman/MD of NABARD, Mumbai
3. Chairman/MD of all Nationalized/ Commercial Banks- with a request to circulate the letter to all branches for necessary action.



माइक्रो यूनित्स डेवलपमेंट एंड रिफाइनांस एजेंसी लिमिटेड
(सिडबी की सहायक संस्था)
MICRO UNITS DEVELOPMENT & REFINANCE AGENCY LIMITED
(A wholly owned subsidiary of SIDBI)

Ref no. 2493/MUDRA/Correspondence with DFS

February 20, 2017

Shri. Amitabh Gautam,
Joint Secretary
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture
Cooperation and Farmers welfare
Krishi Bhaban, New Delhi-110001

Dear Sir,

Scheme for Establishment of Agri-Clinics and Agri-Business Centre(ACABC)

Please refer to your letter No.13(7)/2016-EM(Part) dated January 30, 2017 on the captioned subject.

In this connection we confirm that Agri-Clinics and Agri-Business Centre(ACABC) qualify for availing of MUDRA loan under PMMY as it is a service activity based upon a business model, provided the loan limit is within Rs. 10 lakh per centre.

Further we would also like to inform you that activities allied to agriculture have also been included under MUDRA scheme by Ministry of Finance, Government of India on June 23, 2016(a copy of the same is attached)

Yours faithfully

(Jiji Mammen)
MD & CEO

Director (Extn.)	✓	Dir. (Admn.)
Director (ET)		Dir. (EM&FI)
Adc. (YRM)		Adc. (KPW)
Adc. (VS)		DS (Extn.)

LDc (AK) / CSR
PI put up on file for
circulation to all
banks, MANAGE (NABARD)
for information and
further action as per
10/03/2017
JD (SM)

F.No.29/2/2016-IF-2
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep Building, Sansad Marg, New Delhi,
Dated the 23rd June, 2016

To

The Chief Executive Officer,
Mudra Ltd,
Mumbai

Subject: Coverage of activities allied to Agriculture and Services in these area under PMMY.

Sir,

Pradhan Mantri Mudra Yojana (PMMY) provides credit up to Rs.10 lakh to Non-Corporate Small Business Sector (NCSB) for non-farm and for income generating activities.

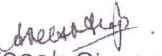
2. During the first year of operations (2015-16) Rs.1,37,449.27 crore of loans were sanctioned as Mudra loans and disbursement stood at Rs.1,32,954.73 crore.

Based on the experience of implementation in the first year, the following may kindly be noted

- I. 'Activities allied to Agriculture', e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation agro industries, dairy, fishery, agriclinics and agribusiness centers, food & agro-processing, etc (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, which promote livelihood or are income generating shall be eligible for coverage under PMMY in 2016-17.
- II. Mudra loan may be extended on cluster basis in addition to existing individual cases as at present.
- III. Sub products under Mudra could be developed by individual banks e.g. Mudra weavers' card etc. to address needs of a category of borrowers. Wherever possible, synergies with existing schemes of Govt. of India / State Governments may be utilised for the purpose.

- IV. As per code of banks, loan applications should be disposed of for credit limit up to Rs.5 lakh within 2 weeks; and for credit limit above Rs.5 lakh within 3 weeks from the date of receipt, provided application is complete in all respects and is accompanied by documents as per 'check list' provided. Reasons for rejection have also to be recorded on the application.
3. Mudra Ltd. is requested to advise to all all NBFCs and MFIs to initiate necessary action to operationalize the above & arrange to report the mentioned activities under PMMY.

Yours faithfully,



(Ateesh Singh)
Director (IF-2)

Tele: 23748642

e-mail : dirif2-dfs@nic.in



MSME CREDIT

CIRCULAR No. HO/MSME/ 08 /2017-18/ 79

Dated-29.04.2017

All Branches/Cluster Offices/ Cluster Monitoring Offices

Master Circular for financing under "PMMY"-MUDRA

The **Pradhan Mantri Mudra Yojna (PMMY)** has been launched on April 08th, 2015 to fund the unfunded by bringing **non-farm enterprises in Manufacturing, Trading and Services** to the formal financial system and extending affordable credit to them. Our Bank has issued guidelines vide Circulars as follows

1. HO/RD&PS: 16:2015-16:163 Dated 28th May, 2015.
2. HO/RD&PS: 41:2015-16:372 Dated 05th August, 2015.
3. HO/RD&PS: 42:2015-16:405 Dated 25th August, 2015.
4. HO/RD&PS: 48:2015-16:453 Dated 11th September, 2015.
5. HO/RD&PS: 76:2015-16:822 Dated 19th January, 2016.
6. HO/RD&PS: 32:2016-17:289 Dated 06th July, 2016.
7. HO/Agribusiness & FI: 45:2016-17:360 Dated 30th July, 2016.
8. HO/Agribusiness & FI:52:2016-17:447 dated 29th August, 2016.
9. HO/Agribusiness & FI: 58:2016-17:519 Dated 17th September, 2016.
10. HO/Agribusiness & FI: 63:2016-17:571 Dated 01st October, 2016.
11. HO: RD&PS: 78:2016-17:757 Dated 21st November, 2016.

Based on the feedback received from field functionaries regarding margin, rate of interest, activities to be covered, eligibility criteria, guarantee coverage, acceptable financial ratios etc. Credit Risk Management Committee in its 160th meeting dated 18th April 2017 vide agenda item No. 7 has approved amendments/modifications in the scheme. The important covenants of the scheme are given below:-

Particulars	Descriptions
<u>Purpose</u>	<ol style="list-style-type: none">1. Non-farm enterprises in Manufacturing, Trading and Services whose credit needs for income generation upto ₹10.00 Lakh.(Only MSEs classified as per MSMED Act 2006)2. Activities allied to agriculture such as pisciculture, beekeeping, poultry, livestock rearing, grading,

ओरियन्टल बैंक ऑफ़ कॉमर्स

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इंस्टीट्यूशनल एरिया, गुडगाँव-122001

ओ.बी.सी.

ORIENTAL BANK OF COMMERCE

(A GOVERNMENT OF INDIA UNDERTAKING)

Head Office : Plot No. 5, Sect - 32,
Institutional Area, Gurgaon-122001

Particulars	Descriptions
	sorting, aggregation agro industries, dairy, fishery, agriclinic and agribusiness centres, food & agro-processing etc (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, which promote livelihood or are income generating.) <u>Note:- Instructions for financing allied agricultural activities to be followed as circulated by Agri Business & FI Department from time to time.</u> OD amounting to ₹5000.00 sanctioned under PMJDY.
Eligibility	1. Individual, Proprietorship, Partnership firms, Limited Liability Partnerships (LLPs), Private / Public Ltd. Cos. Or any other legal forms. 2. MUDRA loan may be extended on cluster basis in addition to existing individual cases as at present.
Quantum of Exposure	Up to ₹10.00 Lacs. The Loan shall be named as ' Shishu ', ' Kishor ' and ' Tarun ' as under:- Shishu : loans upto ₹50,000/- Kishor : loans above ₹50,000/- and upto ₹5.00 lakh Tarun : loans above ₹ 5.00 lakh and upto ₹10 lakh
Nature of Facility	1. Term Loan 2. Working Capital (Fund/ Non Fund) 3. Composite Loan (TL+WC)
Classification of advance	As per the RBI guidelines, the loans granted to such units will be eligible to be classified as priority sector advances under Micro and Small Enterprises, provided they satisfy the provisions of MSMED Act, 2006. For Agriculture and allied activities to be classified as Agriculture.
Credit Risk Rating	Internal Rating is not required up to ₹ 2.00 lakh.

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Particulars	Descriptions	
Acceptable financial Ratios	Financial Ratio	Benchmarks
	Current Ratio	Upto 1.10:1
	Debt Equity Ratio	4:1
	Leverage Ratio	6:1
	DSCR	1.50
Balance Sheet:-	Self attested Balance sheet / P&L to be obtained. Since, Tax Audit is compulsory where the turnover in a financial year is above Rs. 1.00 Crore (Receipts above Rs. 50.00 Lacs in case of professionals). As such, it is necessary to obtain audited financial statements of non-corporate borrowers in following cases: <ul style="list-style-type: none"> ✓ Turnover of more than Rs. 1.00 Crore in case of business. ✓ Gross receipts above Rs. 50.00 Lacs in case of professionals. 	
Income tax returns:-	If the borrower is not filling IT return then there is no requirement of submission of any type of Income Tax return details. An undertaking from the borrower shall be obtained and keep on record.	
Repayment Period	7 years including moratorium period except agriculture advances.	
<u>Validity in case of working capital</u>	The limit will be sanctioned for three years. The account will be reviewed on yearly basis and renewed on every three years.	
<u>Stock Statement</u>	<u>Yearly.</u>	
Primary Security	Hypothecation of assets created out of Bank's Finance.	
Collateral Security	Guarantee Coverage under CGFMU/ CGTMSE. However, it shall be ensured that only single guarantee cover is to be obtained.	
Guarantee Cover under CGFMU	For obtaining coverage under CGFMU for PMMY loan, it is mandatory to feed correct " Guarantee Cover Code " and Free Code '9' . The account having incorrect MIS will disqualify the account for guarantee coverage under the scheme CGFMU. As such, Clusters/ Branches are advised to feed correct	

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Particulars	Descriptions												
	<p>MIS of accounts falling under PMMY. Note that account which shall have Guarantee Cover Code & Free Code '9' as below shall be extracted from the system at HO level and will be sent to NCGTC for coverage. The Guarantee Fee shall be debited centrally by the Credit Guarantee Cell at Corporate Office, Gurgaon.</p> <table border="1"><thead><tr><th>Particulars (ACM>V option)</th><th>Code to be entered</th><th>Description of Code</th><th>Purpose for which these code to be entered</th></tr></thead><tbody><tr><td>Guarantee Cover Code</td><td>MUDRA</td><td>Credit Guarantee Scheme Pradhan Mantri Mudra Yojna</td><td>For coverage under CGFMU (MUDRA Cover)</td></tr><tr><td>Free Code '9'</td><td>MUDRA</td><td>Pradhan Mantri Mudra Yojna</td><td>To classify the account under PMMY</td></tr></tbody></table> <p>Existing accounts: - In addition to the above the field functionaries shall be advised to fill the above details for obtaining CGFMU coverage in all MUDRA accounts sanctioned on or after 08.04.2015.</p> <p>The CRMC in its 148th meeting held on 2nd September, 2016 has already approved that Guarantee Fee for PMMY loans under CGFMU having sanctioned limit up to ₹5.00 lakh shall be borne by the Bank itself.</p> <p>For accounts having sanctioned limits above Rs. 5.00 Lacs shall be centrally deducted by the Credit Guarantee Cell at Corporate Office, Gurgaon.</p>	Particulars (ACM>V option)	Code to be entered	Description of Code	Purpose for which these code to be entered	Guarantee Cover Code	MUDRA	Credit Guarantee Scheme Pradhan Mantri Mudra Yojna	For coverage under CGFMU (MUDRA Cover)	Free Code '9'	MUDRA	Pradhan Mantri Mudra Yojna	To classify the account under PMMY
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Rate of Interest for MSE Brrowers:-	<table border="1"><thead><tr><th>Amount</th><th>Rate of interest</th></tr></thead><tbody><tr><td>Upto ₹2.00 lakh</td><td>MCLR</td></tr><tr><td>Above ₹2.00 lakh to ₹10.00 lakh</td><td>MCLR+2.25%</td></tr></tbody></table> <p>Note:- MUDRA loan under PMMY scheme covered under CGFMU up to ₹2.00 lakh shall be charged at MCLR irrespective of internal credit risk rating and schemes.</p>	Amount	Rate of interest	Upto ₹2.00 lakh	MCLR	Above ₹2.00 lakh to ₹10.00 lakh	MCLR+2.25%						
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Upto ₹2.00 lakh	MCLR												
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Amount	Margin										
Up to ₹ 50,000/- (Shishu Loans)	Nil										
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Above ₹ 2.00 lakh to ₹ 5.00 lakh	15%										
Above ₹ 5.00 lakh to ₹ 10.00 lakh	25%										
Process Fee/ Upfront Fee/ Documentation Fee / Other Charges	As per schedule of service charges circulated by RMD Department from time to time.										
Delegated Power	For all loans classified under Mudra the sanctioning authority has following delegated Powers:- <table border="1"> <tbody> <tr> <td>MCB,CAC,HLCC-ED, HLCC-GM</td> <td rowspan="3">₹ 10.00 lakh</td> </tr> <tr> <td>CMLCC-HCB # /CLUSTER HEAD</td> </tr> <tr> <td>Branch Incumbents Not attached to Cluster</td> </tr> </tbody> </table>	MCB,CAC,HLCC-ED, HLCC-GM	₹ 10.00 lakh	CMLCC-HCB # /CLUSTER HEAD	Branch Incumbents Not attached to Cluster						
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Loan Application	<table border="1"> <tbody> <tr> <td>For Loans upto ₹50000/-</td> <td>Annexure A</td> </tr> <tr> <td>Above ₹50000/ to ₹10.00 Lakh</td> <td>Annexure B-English Annexure B- Hindi</td> </tr> </tbody> </table>	For Loans upto ₹50000/-	Annexure A	Above ₹50000/ to ₹10.00 Lakh	Annexure B-English Annexure B- Hindi						
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Udyog Adhaar Registration Number	Not mandatory. However, field functionaries are advised to explore the possibility for obtaining of Udhogy Adhaar Number.										
TAT	The loan application should be disposed of for credit limit upto ₹ 5 lakh within 2 weeks and for credit limit above ₹ 5 lakh within 3 weeks from the date of receipt, provided application is complete in all respects and is accompanied by documents as per 'check list' provided. Reasons for										

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Particulars	Descriptions
	rejection have also to be recorded on the application.
Documentation	As per Bank's advances manual
Disbursement of Term loan	Directly to equipment & other major suppliers, contractors, Architect etc., Original Bills, Payment evidences shall be kept on records.
Insurance: -	Insurance cover for the construction (excluding land), equipments, furniture & fixtures/Current Assets to be obtained under 'Agreed Bank Clause'. <u>However, sanctioning authority may consider waiver of insurance at the specific request of the borrower justifying non insurance like in perishable items (Fruits, Vegetables, Sweets, Milk & Milk products etc).</u>
<u>Issuance of MUDRA Card under Pradhan Mantri Mudra Yojna (PMMY)</u>	<p>"Issuance of MUDRA Card Under Pradhan Mantri" MUDRA Yojna (PMMY)" for loans sanctioned upto ₹1.00 lakh.</p> <p>MUDRA card shall be issued to literate Individual & Proprietor only. Joint account holders are not permitted.</p> <p>Maximum composite loan shall not exceed ₹1.00 Lakh.</p> <p>➤ Overdraft Facility:- Loan Amount:- 20% of composite loan being Working Capital component i.e. maximum ₹20,000/- as OD facility and can be withdrawn by MUDRA Card.</p> <p>Cheque Book Issue Facility:- Yes</p> <p>Aadhaar Seeding Facility:- Yes, in case of individual/proprietorship concern (Not mandatory)</p> <p>Term Loan - TL701 (TL GENERAL-EI) Over Draft - OD505 (OD – MUDRA CARD SCHEME) The MUDRA card shall be issued in OD505 scheme.</p> <p>MUDRA Card:-</p> <p>➤ Maximum limit of MUDRA Card shall be upto ₹20,000/-.</p> <p>➤ MUDRA Card shall work as Debit Card and shall be based on RuPay Platform.</p> <p>➤ MUDRA Card will work on ATM's/POS/E-Commerce.</p> <p>➤ MUDRA Card will be personalized.</p>

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Particulars	Descriptions
	<p>The Field functionaries are advised to give wide publicity to “MUDRA Loan Under PMMY” and issue maximum number of MUDRA Card to the eligible micro/small entrepreneurs such as Hawkers, Small Vendors, Vegetable Seller, Rickshaw Pullers etc. engaged in non-farm activity such as Manufacturing, Trading and Services.</p> <p>Note: The MUDRA Card (RuPay Debit Card) shall be issued to the borrowers having composite loan maximum upto Rs. 1.00 lakh and OD Rs. 20,000/- only.</p>
Special terms:-	<ol style="list-style-type: none">1. The cases which are sanctioned under any schematic lending, the guidelines pertaining to the said scheme shall be adhered to including Rate of interest. However, MUDRA loan under PMMY scheme covered under CGFMU up to Rs. 2.00 lakh shall be charged at MCLR irrespective of internal credit risk rating and schemes.2. For advances to agriculture allied activities under PMMY, Please refer HO: AgriBusiness & FI: 98:2016-17:1099 dated 09.02.17.3. Agri-Clinics and Agri-Business Centre (ACABC) is qualify for availing of Mudra Loan under PMMY, as it is a Service activity based upon a business model, provided the loan limit is within ₹ 10 lakh per Centre.

S C Das
General Manager
(MSME Credit)