



CEMCA

Commonwealth Educational Media Centre for Asia

**European Union (EU) Switch Asia "Bamboo4SD"
Financial and Business Literacy Campaign**

व्यवसाय एवं वित्तीय शिक्षण अभियान

In collaboration with



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How to Apply & Service Bank Loan ? Borrowing & Simple Interest



OBJECTIVE

To be able to apply for loan in bank and understanding the implications of Borrowing and Interest accrued

How does a Bank or Non-banking institutions help in setting up a Business?



- **One can get loans from a Private or Government-owned banks at reasonable interest rate to set up the Business.**

- **Even non-banking institutions like Bajaj Finance, Tata Capital Finance Service and others offer loans to the Customers.**

How can one get the loan from the Banks ?





All banks have a *Bank-Mitra* who gives all required Information about loan to his customers

A detailed business plan for the business is required to impress the banks

Why a detailed business plan is important for any business while applying for the Loan?



- **All banks have their own rules for lending.**
- **Before applying for the loan, one must know the interest rate which the bank offers.**



What information should be collected before applying for a loan ?

LOANS



- One must know the banks regulations for small and medium scale businesses.
- How much will be the interest rate ?
- Whether the bank keeps some collateral such as your house or land papers or some other important things in lieu of providing loan?
- One can also submit the documents of a business with the bank as collateral.

- Banks have also provision to give loan for business and self-employment without any collateral.
- There is a Credit Guarantee Fund Scheme (CGTMSE) of the Government of India which provides loans to the micro and small enterprises sector without collateral.
- Loans up to two crores rupees are provided to both existing and new entrepreneur without any collateral or guarantee.

The government of India can give a loan of up to Rs. 25 lakh under the Prime Minister's Employment Generation Program.

NABARD also provides loans for new business.

Schemes like Prayas , Sfurti , Swayam, MSME loan, stand up India loan, etc. provide loan facilities to entrepreneur to start own business

What type of documents are required to be attached with **the Loan Application** ?

- **Bank Account Details**
- **Aadhaar Card / PAN Card / Ration Card**
- **Educational Certificate**
- **Certificate of Income**
- **Photo**

In addition, a 'digital lending platform' has been launched for micro, small, and middle class (MSME) entrepreneurs.

This digital platform gives loans up to one crore rupees in just 59 minutes without any guarantee. The entrepreneur has to register on psbloansin59minutes.com.

After registration, three types of documents are required from borrowers. The borrowers must provide

- GSTIN and GST User ID and password**
- Income tax return & e-filing**
- The bank account statement of the last six months**

Any
Questions?





Thank you!

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