

6 Ways MSMEs can get ready to borrow!

#1

Know MSME definition

Existing (Plant & Mach. Cost)

	Manufact.	Service
Micro	<=25L	<=10L
Small	25L-5 Crs	10L-2Crs
Medium	5-10 Crs	2-5 Crs

Proposed (Turnover Based)

Micro	<=5 Crore
Small	5-75 Crore
Medium	75-250 Crore

#3

Know your Credit Score

Visit websites of these agencies and download your Credit Information Report(CIR):-

- CIBIL
- EQUIFAX
- HIGHMARK
- EXPERIAN

#5 Prepare yourself

1. WHY DO YOU NEED A LOAN?
2. WHAT'S YOUR PAST BUSINESS EXPERIENCE?
3. WHO ARE YOUR CURRENT CUSTOMERS?
ORDER BOOK?
4. FEASIBILITY STUDY , IF A NEW PROJECT?
5. FINANCIAL PROJECTIONS SUPPORTING DEBT REPAYMENT AS PER BUSINESS PLAN?

#2

Identify the ideal loan product

1. Secured or Unsecured
2. Term Loan or Working Capital
3. Fund based or Non-Fund based

#4

Keep the basic documents ready

- Know Your Customer (KYC) papers
- MoA/ AoA/Partnership Deed
- Project Profile
- Registration Numbers
- 6 months' bank statements
- 3 years' financial statements
- Security details- primary & collateral

#6 Identify your lender

Approach your existing relationship bank

Visit any bank or NBFC or Financial Institution which is near your place of business.

Prefer a lender which offers better interest rate & other terms & conditions

