

MUDRA Ltd.

**Interest Subvention Scheme for MUDRA Shishu Loans**  
**Supplementary FAQ No.1**

S.No	Query	Reply
1	Is it necessary to provide Statutory Auditor Certificate along with claim ?	As an alternative to Statutory Auditor, provision for obtaining the Certificate from an Independent Auditor is also provided under Scheme.
2	Can MLIs include JLG –Group Loans be considered for coverage under the scheme ?	JLG Group Loans, Classified as MUDRA – Shishu Loans, can be covered
3	How must MLIs handle cases where some of their Borrowers, who do are not eligible for this subsidy, create some ruckus/disruption in the community and claim that they also need to be treated likewise, which may lead to difficulty in collection issues.	MLIs need to reiterate the eligibility criteria to their Borrowers.
4	Are PMJDY Overdraft accounts classified as Shishu Loan eligible for this coverage under scheme.	PMJDY Overdraft accounts are not eligible for coverage under this scheme.
5	There is possibility that few of the customers who opt out of moratorium before August 31, 2020, i.e. the last date till which moratorium is allowed by RBI. The MLI might not have considered their Interest Subvention in the estimate / claim submitted earlier. Would the MLI be allowed to claim for such Borrowers?	For non-moratorium cases, claim duration is June 2020 to May 2021 (12 months). Similarly, for Moratorium cases, the Claim duration is 12 months from the month during which the moratorium has stopped. Hence in case a Borrower moves out to Non-moratorium category before August 2020, he/she shall be eligible for Interest Subvention for 12 months from the month he/she has opted out of moratorium.
6	If any of the MUDRA- Shishu loans have closed during the period, whether the MLI can claim the interest subvention for the eligible period and pass it to Borrower.	Yes. In case a loan account is closed during the tenure of scheme, the benefit can be passed on to Borrower for the time period the account was live.
7	Timelines for submission of interest subversion claim for moratorium Opt-in cases: - since moratorium related changes will deployed in system post August 31, 2020 hence MLIs would require grace period of 20 days to submit first claim for these category of customers	Considering that the Scheme was launched in June 30, 2020, Interest subvention claim can be submitted on basis of actuals of June and estimates for July & August 2020. MLIs can make reasonable assumptions regarding moratorium status of the Borrower during the period for which the estimate is provided. The same may be suitably reconciled at the time of submission of the next claim.





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8	Whether MLIs, in order to avoid any reconciliation issues, could continue to collect the actual Demand / EMI amount, as per original amount fixed, from the Borrowers and the subvention amount can be adjusted towards last month EMI when they would call for the net-off of Demand/EMI amount.	The spirit of the Scheme is to give relief to the MUDRA Shishu Borrower who is facing the COVID 19 pandemic related disruption and is distressed in paying their EMIs. MLIs are expected to pass on the benefit of subvention to its Borrowers as soon as they receive the Subvention claim amount from SIDBI.
9	Whether Borrower(s) would get the benefit of subvention, even if they pay dues/EMIs that have fallen due during Scheme's eligible period, after completion of Scheme's eligible period, how he/she will get the benefit of subvention. E.g. if dues / EMI of August 2021 of a Borrower is paid in say, October 2021, whether the Borrower is eligible for the subvention for the month of August 2021.	If a Borrower is not an NPA in August then he is eligible for subvention benefit in August.
10	Calculation of Interest amount :- For the ease of interest calculation and to avoid any confusion to Borrowers, whether an MLI would be calculating the subvention amount on the outstanding amount due after the clearance of previous month EMI or on the interest component of EMI amount falling in that particular month.	Interest Subvention is 2% of O/s.  Certain MLIs are interpreting the interest subvention as 2% of the interest amount payable by a Borrower, which is not correct. Please refer to the excel in <b>Annexure 1</b> .
11	Upon receipt of subvention claim amount, MLI shall apply the claim amount directly to Borrower's loan account:	Yes
12	Mobile number of customers: - Since mobile number for MUDRA Shishu segment of Borrowers keep changing, whether MLIs would be submitting the mobile number captured during the time of on-boarding of customers.	The latest available mobile number may be provided whenever a claim is submitted by an MLI.
13	Same a Borrower has multiple loans, classified under Shishu, will he/she be eligible for interest subvention claim on all the loans	Yes. However, the total outstanding of the Borrower, as on March 31, 2020, must not be greater than Rs.50,000/-.
14	If customer turns to NPA on same month and becomes regular on same month, will he/she be eligible of Interest claim subvention for that month.	Yes, the Borrower will be eligible if he/she becomes Standard within the same month. However, if the Borrower becomes Standard in the subsequent month, he/she shall not be eligible for subvention in the previous month when it was an NPA.  <b>Scenario Example:</b> A Borrower has an EMI date of 10th of every month. If this Borrower





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		<p>slips to NPA category on December 10th, 2020 and thereafter becomes Standard on January 09th 2021.</p> <p>In the above scenario, the Borrower will not be eligible for subvention for the month of December 2020. He/she will be eligible for subvention in January 2021, when the account was Standard.</p>
15	<p>How is the excess subvention amount to be treated for a scenario where subsidy amount has been received in advance and customer has closed his/her loan.</p> <ul style="list-style-type: none"> <li>✓ In such scenario do subvention need to be claimed as per pro rate basis</li> <li>✓ Bank/MFI/NBFC is required to pay remaining amount to whom customer saving account or SIDBI.</li> </ul>	<p>The Borrower has to be given the subvention benefit for the period till closure of the loan.</p> <p>Any excess amount claimed for a Borrower has to be reconciled and must either be adjusted in the subsequent claim or refunded in the final reconciliation, whichever is earlier, to be submitted to SIDBI.</p>
16	Deceased cases treatment: - In event of death of customer, if her spouse pays regular EMIs, still the subsidy would be continued	Yes
17	Procedure for registration under Public Financial Management System (PFMS) portal.	MLIs may directly access <a href="http://www.pfms.nic.in">www.pfms.nic.in</a> and get themselves registered.
18	Confirmation on the module thru which the claim is to be uploaded, Also. we require user Id and Password for the same.	<p>A Module within the existing PMMY Portal is being developed for directly uploading the claim certificate along with the associated data file and will be launched shortly. User Ids / passwords will be shared shortly.</p> <p>Till announcement of launch of the Module, MLIs having upto 4 lakh Borrower accounts can submit their claims along with data in MS Excel files to <a href="mailto:Shishuloans_iss@sidbi.in">Shishuloans_iss@sidbi.in</a></p>
19	No. of MLIs are seeking clarification regarding the clause relating to confirmation of PMMY portal updation from Sa-Dhan.	It is clarified that this clause is only for such MLIS who have been submitting their PMMY performance / NPA data through Sa-Dhan.
20	If the Shishu Loan has graduated to Kishore/ Tarun category, then whether the MLI has to provide interest subvention upto Rs.50,000/- or should they exclude the loan for the purpose of interest subvention.	Interest subvention may be provided till the Borrower was categorized as a MUDRA Shishu Loan, after taking into account all loans given to a Borrower.



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21	Whether it is mandatory for an MLI to participate in the Scheme?	Yes
22	What are the validity checks to be done before submitting beneficiary data to SIDBI	Checklist is <b>Annexure 1</b> .

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