

Seven years of PM MUDRA Yojana

April 10, 2022

In news- The 7th anniversary of Pradhan Mantri Mudra Yojana(PMMY) was observed recently.

About PMMY-

- **The scheme was launched on 8th April 2015, for providing loans up to 10 Lakh rupees to the non-corporate, non-farm small, or micro-enterprises.**
- The borrower can approach any of the lending institutions mentioned above or can apply online through this portal.
- Under PMMY loans are provided up to Rs. 10 Lakh through Member Lending Institutions (MLIs) viz; Banks, Non Banking Financial Companies (NBFCs), RRBs, Micro Financial Institutions (MFIs), Small Finance Banks, Cooperative Banks, other financial intermediaries, in three categories namely, 'Shishu', 'Kishore' and 'Tarun' which signifies the stage of growth or development and funding needs of the borrowers.
 - **Shishu** : covering loans up to Rs. 50,000/- .
 - **Kishore** : covering loans above Rs. 50,000/- and up to Rs. 5 lakh.
 - **Tarun** : covering loans above Rs. 5 lakh and up to Rs. 10 lakh.
- With an objective to promote entrepreneurship among the new generation aspiring youth, it is ensured that **more focus is given to Shishu category loans followed by Kishore and Tarun categories.**
- **Loans under PMMY are provided to meet both term loan and working capital** components of financing for income generating activities in manufacturing, trading and

service sectors, including activities allied to agriculture such as poultry, dairy, beekeeping, etc.

- **The rate of interest is decided by lending institutions in terms of RBI guidelines.** In the case of a working capital facility, interest is charged only on money held overnight by the borrower.
- **MUDRA is a refinancing Institution. It does not lend directly to the micro entrepreneurs / individuals.** Mudra loans under Pradhan Mantri Mudra Yojana (PMMY) can be availed of from nearby branch offices of a bank, NBFC, MFIs etc.
- **All Non-Corporate Small Business Segment (NCSBS) comprising of proprietorship** or partnership firms running as small manufacturing units, service sector units, shopkeepers, fruits/vegetable vendors, truck operators, food-service units, repair shops, machine operators, small industries, food processors and others in rural and urban areas, **are eligible for assistance under Mudra.**
- Borrowers can also now file online applications for MUDRA loans on the Udyamimitra portal.
- On the theme of business environment and large-scale employment opportunities through PMMY, the Scheme has helped in creating an enabling environment particularly for small businesses and has helped generate large-scale employment opportunities at the grass roots level.
- More than 34 crore 42 lakh loans for an amount of 18.60 lakh crore rupees have been sanctioned since launch of the scheme.
- Around 68 percent of the total number of loans have been sanctioned to Women Entrepreneurs.