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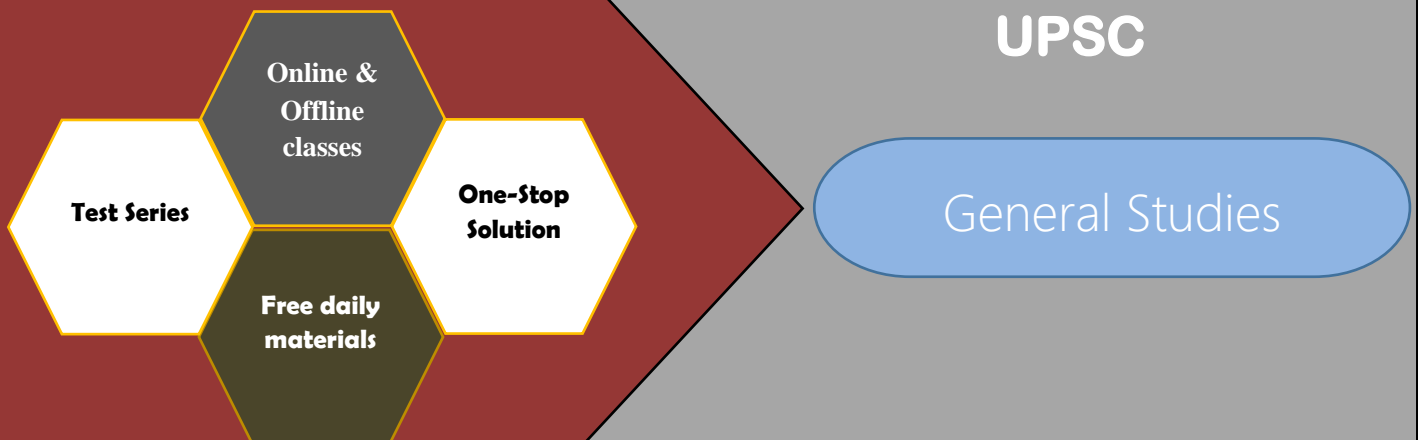
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Pradhan Mantri Mudra Yojana

Notes for civil services preparation



Pradhan Mantri Mudra Yojana

Pradhan Mantri Mudra Yojana (PMMY) is a flagship scheme of Government of India to “fund the unfunded” by bringing such enterprises to the formal financial system and extending affordable credit to them. It enables a small borrower to borrow from all Public Sector Banks such as PSU Banks, Regional Rural Banks and Cooperative Banks, Private Sector Banks, Foreign Banks, Micro Finance Institutions (MFI) and Non-Banking Finance Companies (NBFC) for loans upto Rs 10 lakhs for non-farm income generating activities. The scheme was launched on 8th April, 2015 by the Hon'ble Prime Minister.

Eligibility

Any Indian Citizen who has a business plan for a non-farm sector income generating activity such as manufacturing, processing, trading or service sector and whose credit need is less than Rs 10 lakh can approach either a Bank, MFI, or NBFC for availing of Micro Units Development & Refinance Agency Ltd. (MUDRA) loans under Pradhan Mantri Mudra Yojana (PMMY).

Types of loans provided

Under the aegis of Pradhan Mantri MUDRA Yojana, MUDRA has already created the following products / schemes.

- Shishu : covering loans upto 50,000/-
- Kishor : covering loans above 50,000/- and upto 5 lakh
- Tarun : covering loans above 5 lakh and upto 10 lakh

The interventions have been named 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth to look forward to. It would be ensured that at least 60% of the credit flows to Shishu Category Units and the balance to Kishor and Tarun Categories.

There is no subsidy for the loan given under PMMY. However, if the loan proposal is linked some Government scheme, wherein the Government is providing capital subsidy, it will be eligible under PMMY also.

