



KAMARAJ IAS ACADEMY
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Pradhan Mantri Mudra Yojana

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Why is in news? Finance Ministry informs over 37.76 crore loans disbursed since inception of Pradhan Mantri Mudra Yojana in April 2015

The Ministry of Finance said that the loan amounts to over 20.43 lakh crore rupees as of 25th November 2022.

Referring to a **Labour and Employment Ministry survey**, the Finance Ministry also stated that in three years between 2015 and 2018, PMMY helped in generating 1.12 crore net additional employment.

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.

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

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.

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