



# Pradhan Mantri Mudra Yojana

## Why in News

More than 28.68 crore loans for an amount of **Rs. 14.96 lakh crore** have been sanctioned by banks, NBFCs and MFIs since the launch of **Pradhan Mantri Mudra Yojana (PMMY)**.

## Key Points

### ▪ About Pradhan Mantri Mudra Yojana (PMMY):

#### ◦ Launch and Aim:

- It was **launched by the government in 2015** for providing **loans up to Rs. 10 lakh to the non-corporate, non-farm small/micro-enterprises**.

#### ◦ Funding Provision:

- **MUDRA**, which stands for **Micro Units Development & Refinance Agency Ltd.**, is a financial institution set up by the Government.
- It **provides funding** to the non-corporate small business sector **through various last-mile financial institutions** like Banks, [Non-Banking Financial Companies \(NBFCs\)](#) and [Micro Finance Institutions \(MFIs\)](#).
- MUDRA **does not lend directly to micro-entrepreneurs/individuals**.

#### ◦ Three Products:

- MUDRA has created three products i.e. '**Shishu**', '**Kishore**' and '**Tarun**' as per the stage of growth and funding needs of the beneficiary micro unit.
  - **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.

- Loans under this scheme are **collateral-free loans**.

### ▪ Achievements:

- **Loans have been given to disadvantaged sections of society such as women entrepreneurs, SC/ST/OBC borrowers, Minority community borrowers, etc.** The focus has also been on **new entrepreneurs**.
- As per a survey conducted by Ministry of Labour and Employment, PMMY helped in **generation of 1.12 crore net additional employment from 2015 to 2018**.
  - Out of the **1.12 crore** of estimated increase in employment, **women accounted for 69 lakh (62%)**.

[Source: PIB](#)

