Pradhan Mantri Mudra Yojana (PMMY)

Prelims: *Current events of national and international importance | Government Policies*

Why in News?

Recently, Prime Minister highlighted how PM Mudra Yojana has empowered millions of small entrepreneurs on its 11th anniversary.

- **MUDRA –** Micro Units Development and Refinance Agency Ltd. (MUDRA), a Non-Banking Financial Company (NBFC).
- It targets *young educated or skilled workers and entrepreneurs including women entrepreneurs.*
- It also acts as a regulator for Micro-Finance Institutions (MFIs).
- **Aim –** To provide credit of ***up to Rs 10 lakh*** to small entrepreneurs.
- **Launched on –** April 2015
- **Nodal Ministry –** Ministry of Finance
- **Implemented by –** Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks, MFIs, NBFCs.
- **Objective –** Provide collateral-free institutional credit up to Rs.10 lakh to small businesses, reducing their reliance on high-interest informal moneylenders.
- **Eligibility –** Individuals, Proprietary concern, Partnership Firm, Private Ltd. Company, Public Company, or Any other legal forms.
- **Product Categories –**
- Loans are classified based on growth stage of the enterprise –

Shishu	• Loans up to Rs.50,000.
Kishore	• Loans above Rs.50,000 and up to Rs.5 lakh.
Tarun	• Loans above Rs.5 lakh and up to Rs.10 lakh.
Tarun Plus	• Loans above Rs.10 lakh and up to Rs.20 lakh.

- **Key Features**
- **Collateral-free loans**, covered under Credit Guarantee Fund for Micro Units (CGFMU), managed by the National Credit Guarantee Trustee

Company (NCGTC).

- **MUDRA Card –** Debit card issued against Mudra loan account for working capital, enabling digital transactions and credit history creation.
- **Micro Credit Scheme –** Loans up to Rs.1 lakh through MFIs for micro-enterprise activities.
- **Coverage –**

Business loans	Vendors, traders, shopkeepers, service enterprises
Transport vehicles	Autos, taxis, e-rickshaws, tractors (commercial use).
Community services	Salons, tailoring, repair shops, medicine shops.
Food sector	Papad, pickle, bakery, catering, cold storage.
Textiles	Handloom, embroidery, dyeing, apparel design.
Equipment finance	Machinery/equipment for micro units.
Agri-allied activities	Poultry, dairy, bee-keeping, pisciculture, agro-processing.

- **Synergies –**
- **Make in India, start-up India, stand-up India** – promoting enterprise creation.
- **National Rural Livelihoods Mission (NRLM) & – National Urban Livelihoods Mission** (**NULM)** – supporting rural and urban livelihoods.
- **National Skill Development Corporation (NSDC)** – skill development for entrepreneurs.

References

1. PIB | PMMY
2. MUDRA | PMMY

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