

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).

Products offered under Mudra Loan

Products offered under Pradhan Mantri Loan Yojana are classified under 3 loan schemes named as Shishu, Kishor and Tarun. Below mentioned is the loan amount offered under each loan scheme:

- SHISHU Loan: Loans up to Rs. 50,000 (For start-ups and new businesses) can be availed in Mudra Shishu Loan scheme.
- KISHOR Loan: Loans from Rs. 50,001 to Rs. 5,00,000 (For buying equipment/machinery, raw materials, business expansion for existing enterprises) are available in Kishor Loan Scheme.
- TARUN Loan: Loans from Rs. 500,001 to Rs. 10,00,000 (For established businesses and enterprises) under Tarun Loan Scheme.

Sectors covered

To maximize coverage of beneficiaries and tailor products to meet requirements of specific business activities, sector / activity focused schemes would be rolled out. To begin with, based on higher concentration of businesses in certain activities / sectors, schemes are proposed for:

- Land Transport Sector / Activity - Which will inter alia support units for purchase of transport vehicles for goods and personal transport such as auto rickshaw, small goods transport vehicle, 3 wheelers, e-rickshaw, passenger cars, taxis, etc.

- Community, Social & Personal Service Activities - Such as saloons, beauty parlors, gymnasium, boutiques, tailoring shops, dry cleaning, cycle and motorcycle repair shop, DTP and Photocopying Facilities, Medicine Shops, Courier Agents, etc.
- Food Products Sector - Support would be available for undertaking activities such as papad making, achar making, jam / jelly making, agricultural produce preservation at rural level, sweet shops, small service food stalls and day to day catering / canteen services, cold chain vehicles, cold storages, ice making units, ice cream making units, biscuit, bread and bun making, etc.
- Textile Products Sector / Activity - To provide support for undertaking activities such as handloom, powerloom, chikan work, zari and zardozi work, traditional embroidery and hand work, traditional dyeing and printing, apparel design, knitting, cotton ginning, computerized embroidery, stitching and other textile non garment products such as bags, vehicle accessories, furnishing accessories, etc.

Benefits

- Mudra loans are majorly offered to shopkeepers, traders, vendors, and MSMEs engaged in manufacturing, trading and service sector activities.
- Mudra scheme is covered under Credit Guarantee Schemes from Govt. of India.
- Availed loan amount can also be used as term loans and overdraft facilities.
- All Non-farm enterprises, i.e. small or micro firms engaged in the income generating activities can avail Mudra loan.
- Mudra loan can also be availed by people belonging to SC/ST category at concessional interest rates.
- Mudra scheme can be availed via Mudra cards, as well.