



Pradhan Mantri Mudra Yojana

For Prelims: Pradhan Mantri Mudra Yojana (PMMY).

For Mains: Government Policies and Interventions in the economy, Significance of PMMY.

Why in News?

Recently, the Union Minister of State for Finance provided information about the Pradhan Mantri Mudra Yojana (PMMY) in the Rajya Sabha.

- The national-level targets under the scheme have been consistently met since its inception, except for FY 2020-21 due to the Covid-19 pandemic.

What is PMMY?

- The government **launched it in 2015** for providing loans up to Rs.10 lakh to the non-corporate, non-farm small/micro-enterprises.
- 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**, which stands for Micro Units Development & Refinance Agency Ltd., is a government's financial institution. It does not lend directly to micro-entrepreneurs/individuals.
- MUDRA has created **three products, i.e. 'Shishu', 'Kishore' and 'Tarun'**, as per the growth and funding needs of the beneficiary micro-units.
 - 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.

What are the achievements of the scheme?

- Over 32.53 crore loans involving a sanctioned amount of Rs. 17.32 lakh crore have been extended under PMMY since its inception in April 2015.
- 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 the Ministry of Labour and Employment, PMMY helped in generating 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%).

What are the steps taken for the improvement of the Scheme?

- **Provision for online applications through psbloansin59minutes and [udyamimitra portal](#).**
- Some **Public Sector Banks (PSBs)** have put **end-to-end digital lending** for automated

sanctions under PMMY.

- **Intensive publicity campaigns** by PSBs and Mudra Ltd. for increased visibility of the scheme amongst the stakeholders.
- **Nomination of Mudra Nodal Officers** in PSBs.
- **Periodic monitoring of the performance of PSBs** concerning PMMY etc

[Source: PIB](#)

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