



Pradhan Mantri Mudra Yojana

Why in News?

As per the sample survey conducted at the national level by [Ministry of Labour and Employment \(MoLE\)](#) to assess **employment generation under [Pradhan Mantri Mudra Yojana \(PMMY\)](#)**, the scheme **helped in generating 1.12 crore net additional [employment](#)** during a period of approximately **3 years (i.e., from 2015 to 2018)**.

What are the Other Highlights of the Survey?

- Out of **81 lakh loans** given in the state of Rajasthan, over **52 lakh were given to women entrepreneurs** in the last three financial years, which is **64% of all loans**.
- The **PMMY** has been expanded over time:
 - In **2016-17**, the scheme was expanded to cover **activities related to agriculture**, such as fishing, dairy, and food processing.
 - In **2017-18**, loans for **tractors and power tillers** became eligible under PMMY, with a maximum limit of Rs. 10 lakhs.
 - From **2018-19** onwards, loans for **two-wheelers for commercial use** were included in PMMY.

What is Pradhan Mantri Mudra Yojana?

- **About:**
 - PMMY was launched by the Government of India in 2015.
 - The **PMMY provides collateral-free institutional loans** up to **Rs. 10 lakhs for small business enterprises**.
- **Funding Provision:**
 - It is provided by **Member Lending Institutions (MLIs)** i.e. [Scheduled Commercial Banks \(SCBs\)](#), [Regional Rural Banks \(RRBs\)](#), Non-Banking Financial Companies (NBFCs) and [Micro Finance Institutions \(MFIs\)](#).
- **Types:**
 - The loan can be used for income-generating activities in the **manufacturing, trading, services sector, and [agriculture](#)**.
 - There are three loan products under PMMY:
 - **Shishu** (loans up to Rs. 50,000)
 - **Kishore** (loans between Rs. 50,000 and Rs. 5 lakh)
 - **Tarun** (loans between Rs. 5 lakh and Rs. 10 lakh).
- **Steps Taken for the Improvement of the Scheme:**
 - Provision for online applications through **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.

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Pradhan Mantri MUDRA Yojana is aimed at (2016)

- (a) bringing the small entrepreneurs into formal financial system
- (b) providing loans to poor farmers for cultivating particular crops
- (c) providing pensions to old and destitute persons
- (d) funding the voluntary organizations involved in the promotion of skill development and employment generation

Ans: (a)

[Source: PIB](#)

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