PRADHAN MANTRI MUDRA YOJANA

MUDRA, which stands for Micro Units Development & Refinance Agency Ltd, is a financial institution beingset up by Government of India for development and refinancing micro units enterprises. It was announced by the Hon’ble Finance Minister while presenting the Union Budget for FY 2016. The purpose of MUDRA is to provide funding to the non-corporate small business sector through various Last Mile Financial Institutions like Banks, NBFCs and MFIs.

Under the aegis of Pradhan Mantri MUDRA Yojana (PMMY), MUDRA has already created its initial products / schemes. The interventions have been named ‘Shishu’, ‘Kishor’ and ‘Tarun’ to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also to provide a reference point for the next phase of graduation / growth to look forward to. The financial limit for these schemes are :-

a. Shishu : covering loans upto 50,000/-

b. Kishor : covering loans above 50,000/- and upto 5 lakh

c. Tarun : covering loans above 5 lakh to 10 lakh