

Pradhan Mantri MUDRA Yojana (PMMY)

Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the Hon'ble Prime Minister on April 8, 2015 for providing loans upto 10 lakh to the non-corporate, non-farm small/micro enterprises. These loans are classified as MUDRA loans under PMMY. These loans are given by Commercial Banks, RRBs, Small Finance Banks, Cooperative Banks, MFIs and NBFCs. The borrower can approach any of the lending institutions mentioned above or can apply online through this portal. Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth.

Salient Features of the scheme:

1. Nature of Facility: Working Capital and Term Loan
2. Purpose: Business purpose, capacity expansion, modernization
3. Target Group: Business Enterprises in Manufacturing, Trading and Services sector including allied agricultural activities.
4. Quantum of loan (Min/Max)
 - Maximum loan amount: Upto Rs 10 lacs
 - Loans upto Rs.50,000 are categorised as SHISHU
 - Loans from Rs.50,001 to Rs.500,000 are categorised as KISHORE
 - Loans from Rs.500,001/- to Rs.10,00,000/- are categorised as TARUN
5. Margin (%)
 - Upto Rs. 50,000/- Nil
 - Rs. 50,001 to Rs. 10 lacs: 10%
 - Pricing : Competitive Pricing Linked to MCLR
6. Repayment Period
 - WC/TL: in 3 - 5 yrs including a moratorium of upto 6 months depending on the activity/ income generation.
 - Review of WC/TL to be done annually.
7. Processing Fee/Upfront Fee
 - Nil for Shishu and Kishore to MSE Units
 - For Tarun: 0.50%(plus applicable tax) of Loan amount

<https://sbi.co.in/web/business/sme/sme-government-schemes/pmmy>