

Banks sanction over Rs 15 lakh crore under Mudra Yojana

written by iaseexam.com | 27/05/2021



The finance ministry recently said banks and financial institutions have sanctioned about Rs 15 lakh crore to over 28 crore beneficiaries under the Mudra scheme in the last six years.

Pradhan Mantri MUDRA Yojana (PMMY) was launched by Prime Minister Narendra Modi on April 8, 2015, to promote entrepreneurship.

Key Highlights

- As of March 26, 2021, loans sanctioned by member lending institutions amounting to Rs 15.10 lakh crore to 28.81 crore beneficiary, the Department of Financial Services under the Finance Ministry said in a tweet.
- Under the scheme, collateral-free loans up to Rs 10 lakh in three categories – namely Shishu, Kishore and Tarun for income-generating activities in manufacturing, trading and services sectors and activities allied to agriculture are provided, it said.
- Last year, the government decided to provide 2 per cent interest subvention to borrowers under the ‘Shishu’ category of the flagship PMMY as part of the stimulus package or Atmanirbhar Bharat Abhiyan Package announced in May to help small businesses tide over difficulties created by the lockdown following the outbreak of coronavirus disease.
- Under the Shishu category, collateral-free loans of up to Rs 50,000 are given to beneficiaries.
- The scheme was extended to loans that were outstanding as of March 31, 2020, and

not in the non-performing asset (NPA) category.

- At the end of March 2020, about 9.37 crore loan accounts under the Shishu category of PMMY with a total loan amount of about Rs 1.62 Lakh crore were outstanding.

SOURCE: *The Indian Express*