

Speed post

No.MSDE-07/44/2015-CD
Government of India
Ministry of Skill Development & Entrepreneurship

Dated: 2nd November, 2015

To,

Principal Secretaries/ Commissioners/ Secretaries dealing with Craftsmen Training Scheme of All the State Government's and UT Administrations

Sir/ Madam

This is to inform you that Pradhan Mantri Mudra Yojana(PMMY) under the Micro Units Development and Refinance Agency (MUDRA) Bank is a new initiative by Government of India for development and refinancing activities pertaining to micro units. PMMY was announced by the Hon'ble Finance Minister while presenting the Union Budget for FY 2015-16 and the main objective of the scheme is to ensure availability of bank finance to unfunded segments of the society.

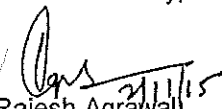
Department of Financial Services, Ministry of Finance is taking special efforts to provide loans to skilled self employment seekers under PMMY, with particular reference to ITI trainees. Through PMMY, Government is undertaking efforts to link skilled persons with credit to cater to the aspirations of trainees to become micro entrepreneurs. Accordingly, all banks have already been sensitized to obtain details of skilled persons from different organization. For effective targeting of potential micro entrepreneurs, it is essential that all ITIs are informed about the basic features of PMMY.

Banks have been advised to observe 6th November 2015 as "ITI day" and in the period leading up to 6th November, they will be interacting with ITIs with a view to sourcing suitable trainees for bank credit. This exercise will also be beneficial to the ITIs for achieving superior outcomes.

In view of the above, you are requested to issue necessary instructions to all ITIs in your State to mobilize recently passed out trainees at the institute premises on a chosen date so that suitable trainees can be considered for loan financing by banks. Similar instructions should also be issued to all Vocational Training Providers to take advantage of this ongoing effort under PMMY. Principals of ITIs are requested to contact the bank branches nearest to their institutes or the Lead District Managers. All efforts should be undertaken by the institutes so that advantage of the scheme reaches the target group.

A brief note on the MUDRA Scheme is enclosed for reference.

Yours faithfully,


(Rajesh Agrawal)
Joint Secretary
Tel: 23450828

Encl: As above

Copy to:

1. Department of Financial Services, Ministry of Finance (Kind attention: Shri. V.L.V. S.S. Subba Rao, Economic Advisor), Jeevan Deep Building, 3rd Floor, 10, Parliament Street, New Delhi-110001
2. Deputy Director General (Training)
3. Director (Training)
4. All Directors dealing with Craftsmen Training Scheme in the States/UTs
5. Principals of all ITIs (both Government and private)

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6/11/15

ADT / PS

Pl. upload on Portal

6/11

वी.एस.एस. सुब्बा राव
अर्थिक सलाहकार
V.L.V.S.S. SUBBA RAO
ECONOMIC ADVISER



भारत सरकार
वित्त मंत्रालय
वित्तीय सेवाएँ विभाग
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नई दिल्ली ११०००१

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D.O. No. 27/2/2015-IF-II

27th October 2015

Dear *Shri Agarwal*,

I invite your kind attention to the discussions held with you in your Ministry on the sidelines of a separate meeting on Skill mapping a couple of weeks ago.

2. During the meeting, I had brought out for the information of Ministry of Skill Development and Entrepreneurship that this Department is taking special efforts to provide loans to skilled self employment seekers, with particular reference to trainees of ITIs, and other self employment trainees under the umbrella of NSDC. This is a serious effort on the part of the Government to link skilled persons with credit under Pradhan Mantri Mudra Yojana catering to persons aspiring to be micro entrepreneurs. All banks have already been sensitized to obtain details of skilled persons from different organizations. But for a good success rate and effective targeting of potential micro entrepreneurs, it would be necessary that your Ministry also informs all the ITIs in the country about the basic features of the PMMY scheme (1 page information sheet enclosed) and advises the Heads of the Institutes to mobilise recently passed out trainees at the institute premises on a chosen date, so that suitable ones can be considered for loan financing by banks.

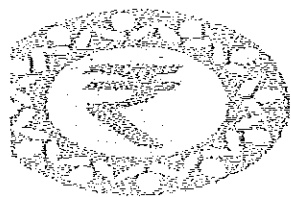
3. This information may be disseminated to all training organizations under your umbrella, with due intimation to us. Banks have been advised to observe 6th November, 2015 as the ITI Day and in the period leading upto 6th November, they would be interacting with ITIs with a view to sourcing suitable trainees for bank credit. This exercise would be beneficial to the ITIs also for achieving superior outcomes. Therefore, I would request you to issue instructions to all the organizations to take advantage of this ongoing effort under PMMY. The Directors of ITIs may contact the bank branches nearest to their institutes or the Lead District Managers.

Yours faithfully

Yours sincerely,

V.L.V.S.S. Subba Rao
(V.L.V.S.S. Subba Rao)

Shri Rajesh Agarwal
Joint Secretary
Ministry of Skill Development and Entrepreneurship
2nd Floor, Shivaji Stadium Annexe
Shaheed Bhagat Singh Marg,
Near Connaught Place, New Delhi-110001



प्रधानमंत्री MUDRA योजना

"MUDRA - Funding the Unfunded"

- **Objective:** To promote & ensure bank finance to unfunded segments of the economy.
- **Coverage:** All small business income generating activities such as manufacturing, trading and services whose credit needs are up to Rs.10 lakh are to be covered under Pradhan Mantri Mudra Yojana (PMMY).

➤ **Schemes Under PMMY:**

Scheme	Amount of Loan
Shishu	Up to Rs.50000/-
Kishore	Above Rs.50000/- and up to Rs. 5 Lakh
Tarun	Above Rs. 5 lakh and up to Rs.10 lakh

➤ **Features of Loans under PMMY**

- ❖ Rate of Interest charged by SCBs for SHISHU loans will not be higher than 12% p.a .
- ❖ All PMMY Loans are collateral free.
- ❖ No processing fee is charged by banks for loans up to Rs.50000/-
- ❖ Banks are advised not to insist on margin money for SHISHU category loans.
- ❖ Simplified Mudra loan application forms.
- ❖ Beneficiaries can avail loan facility from any Public/Private Sector Banks and Regional Rural Banks.

➤ **MUDRA CARD:**

- ❖ A hassle free and flexible credit product.
- ❖ Working capital cash credit sanctioned is loaded onto MUDRA card for flexible use
- ❖ Since MUDRA Card is a RuPay Debit Card, it can be used for drawing cash from any ATM or make purchase using Point of sale machine.