



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

A Study on Pradhan Mantri Mudra Yojna (PMMY) - An Overview.

Prof. M. Gangadhar

Professor in Commerce & Head,
Department of Commerce,
University College for Women, Koti,
Osmania University, Hyderabad.

Abstract:

Pradhan Mantri Mudra Yojna launched by Honorable Prime Minister of India Shri. Narendra Modi on 8th April 2015. Pradhan Mantri Mudra Yojana (PMMY) is a scheme initiated by Government of India to provide loans up to Rs. 10 lakh to non-corporate, non-farm small/ micro enterprises. Under PMMY, people involved in non-farm activities can avail loans up to Rs. 10 lakh. This study focused on the performance of Mudra Yojana, data in this research work has been collected from secondary sources such as various journals, articles and MUDRA websites. The aim of the research paper is to study the performance of different Category under MUDRA Scheme, to evaluate the loan sanction by financial institution in different state of India and to critically evaluate the Pradhan Mantri Mudra Yojana (PMMY). The paper analyzed based on the secondary source like State wise Performance, Regional wide analysis, Agency wise Achievement, Assistance to less privileged sections.

Keywords: MUDRA, Micro and Small Enterprises, Performance, PMMY, SHISHU, KISHOR, TARUN, Schemes.

Introduction:

Pradhan Mantri Mudra Yojna launched by Honorable Prime Minister of India Shri. Narendra Modi on 8th April 2015. Pradhan Mantri Mudra Yojana (PMMY) is a scheme initiated by Government of India to provide loans up to Rs. 10 lakh to non-corporate, non-farm small/ micro enterprises. Under PMMY, people involved in non-farm activities can avail loans up to Rs. 10 lakh. The loans are offered under Mudra scheme by Private Sector Banks, Non-Banking Financial Companies (NBFCs), Micro Finance Institutions (MFIs), Public Sector Banks, Regional Rural Banks (RRBs), State and Urban Co-operative Banks and Foreign Banks.

MUDRA Vision

To be an integrated financial and support services provider par excellence, benchmarked with global best practices and standards, for the bottom of the pyramid universe for their comprehensive economic and social development.

MUDRA Mission

To create an inclusive, sustainable and value based entrepreneurial culture, in collaboration with our partner institutions in achieving economic success and financial security.

MUDRA Purpose

Our basic purpose is to attain development in an inclusive and sustainable manner by supporting and promoting partner institutions and creating an ecosystem of growth for micro enterprises sector.

Pradhan Mantri Mudra Yojna (PMMY)

Pradhan Mantri Mudra Yojna launched one more scheme under PMMY known as 'Shishu', 'Kishore' and 'Tarun' which basically aim to fulfil growth/ development and funding needs of micro enterprises and they also suggest them for their future opportunities which they can get.

- They grant loans up to Rs 50,000 under the Shishu scheme.
- They grant loans starting from Rs 50,000 to Rs 500,000 under the Kishore scheme.
- They grant loans starting from Rs 5,00,000 to Rs 10,00,000 under the Tarun scheme.

Review of Literature

(Soni, 2016) The research paper is an effort to understand the MUDRA: Development of Micro Units and refinancing agency. The main objective of this paper is to understand the Mudra scheme, its need and the legal structure required to benefit from it. To examine the Government's recommended solutions for the successful completion of this project. This research is of descriptive in nature as well as secondary data has been used from which the website has been taken from newspapers government website, publication and reports by institutes. The author eventually concluded that the currency would create new confidence in small-scale enterprises and encourage young, educated, or skilled people to scale up their operations. Also, MUDRA Yojana has an important contribution in women empowerment.

(Agarwal & Dwivedi, 2017) [1] The study analyzed that Pradhan Mantri Mudra Yojana PMMY, and analysis the performance of scheme based on state, caste and category. The author has also described the Features and SWOT analysis of PMMY. The growth rate of Union Territories like the A&N Islands and Lakshadweep is negative and not satisfactory on a state-by-state basis. while Assam and Tripura have the highest growth rate. According to the author, the PMMY scheme is a commendable step taken by the government where weaker section and low income section have helped a lot.

Manish Agarwal & Ritesh Dwivedi (2017) critically reviewed the performance of PMMY. State-wise analysis of data concluded that Rajasthan and West Bengal have shown greater success in the benefits received under the scheme. Also women entrepreneurs are ahead in the share of loan disbursement compared to other categories.

P.A.Ibrahim (2018) conducted a study to assess the performance of MUDRA scheme region-wise, category-wise as well agency wise. The scheme has widely reached among women entrepreneurs and new entrepreneurs. Northern states have participated less in availing benefits under the scheme compared to other regions. Also, Shishu category performed better than other categories of the scheme and private sector banks have outperformed the loan sanction and disbursement process.

Objectives of the Study

- To study the Pradhan Mantri Mudra Yojana (PMMY)
- To analyze the performance of different Category under MUDRA Scheme
- To study the performance of Pradhan Mantri Mudra Yojana (PMMY) of top 10 state in India.

Research Methodology

Research Design

The research study is descriptive in nature. This study focused on agency-wise, state-wise, regional-wise, category-wise during the financial year 2020-21. The study also focused on the amount sanctioned and disbursed and the maintenance of the accounts under Mudra Yojna for the financial year 2020-21.

Data collection

Sources of data: The data collected from various secondary sources like annual reports, government websites, newspapers, journals, articles, books, mudra website.

Data Analysis and Interpretation

Performance of Pradhan Mantri Mudra Yojana (PMMY) in India. The data analysed on the basis of agency, banks and social status during the financial year 2020-21. And the performance of the Pradhan Mantri Mudra Yojana (PMMY) for the top 10 states in India.

Agency wise Achievement

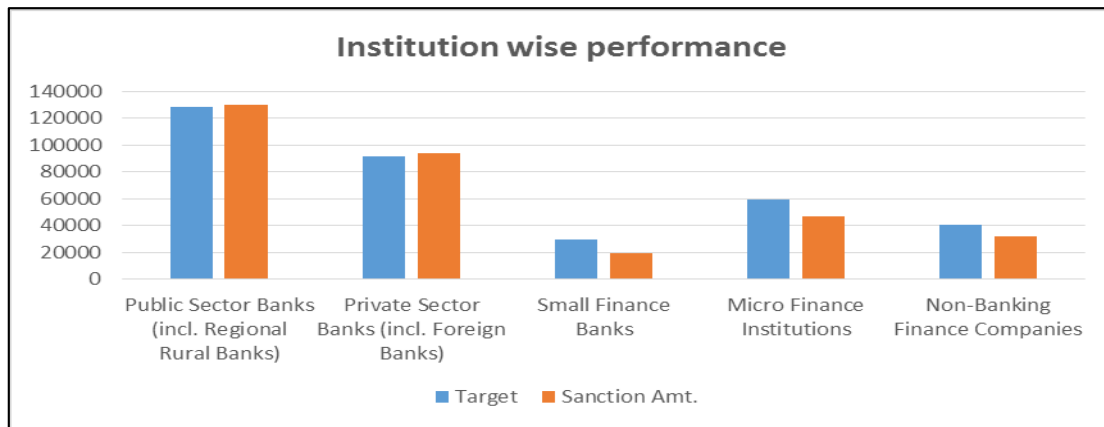
The target set by the Government of India under PMMY for the year 2020-2021 was 3.50 lakh crore which was distributed across various lending institutions banks, MFIs and NBFCs based on their outreach and presence in various parts of the country. The category-wise performance against their overall targets for the year 2020-21 is as under:

Table 1: Institution wise performance

(In crore)

Category	Target (2020-2021)	Sanction Amt. (2020-2021)	Sanction Amt. (2019-20)	Growth
Public Sector Banks (incl. Regional Rural Banks)	1,28,500	1,29,915	1,17,729	10%
		(101%)		
Private Sector Banks (incl. Foreign Banks)	91,700	93,613.20	91,780	2%
		(102%)		
Small Finance Banks	29,800	19,646.68	29,501	(33%)
		(66%)		
Micro Finance Institutions	59,200	46,601.40	57,967	(20%)
		(79%)		
Non-Banking Finance Companies	40,800	31,983.17	40,518	(21%)
		(78%)		
Total	3,50,000	3,21,759	3,37,495	(5%)
		(92%)		

Source: Annual Reports



The total target for the financial year 2020-2021 was Target Rs. 3.50 lakh crore, the sanction amount 3,21,759 with growth rate of (5%) of which Public Sector Banks (incl. Regional Rural Banks) target was 1,28,500, Private Sector Banks (incl. Foreign Banks) was 91,700, Small Finance Banks was 29,800, Micro Finance Institutions 59,200, Non-Banking Finance Companies was 40,800.

Sanction Amount for the financial year (2020-2021) for Public Sector Banks (incl. Regional Rural Banks) was 1,29,915 with growth rate of 10%, Private Sector Banks (incl. Foreign Banks) was 93,613.20 with growth rate of 2%, Small Finance Banks was 19,646.68 with growth rate of (33%), Micro Finance Institutions was 46,601.40 with growth rate of (20%), Non-Banking Finance Companies was 31,983.17 with growth rate of (21%).

State wise Performance

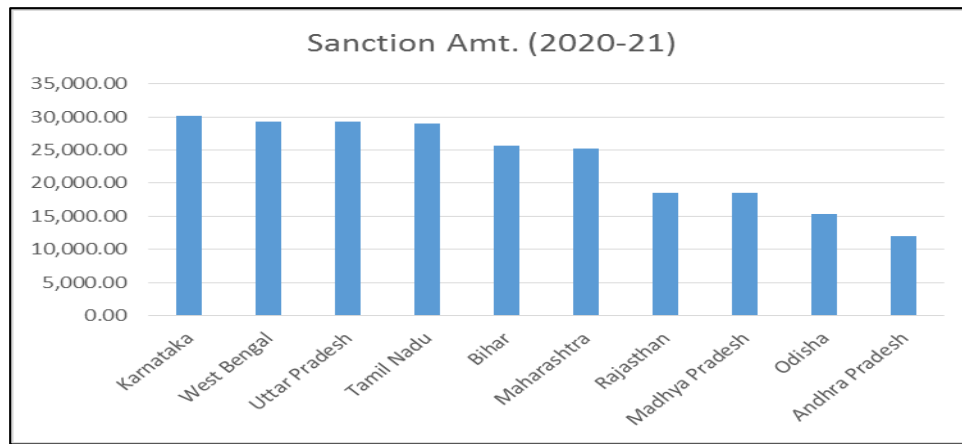
While the Institution wise targets were assigned by the Govt. of India, the same were further sub-allocated state-wise by the respective lending institutions based on their network and potential to lend. The state level performance is being monitored by the respective SLBCs of the states. Of all the states, Karnataka topped with sanction of 30,199.18 crore, followed by West Bengal with 29,335.98 crore and Uttar Pradesh stood at third position with ` 29,231.25 crore.

Table 2: Performance of top 10 states

(In crore)

Name of the state	Sanction Amt. (2020-21)	Sanction Amt. (2019-20)
Karnataka	30,199.18	30,188
West Bengal	29,335.98	26,790
Uttar Pradesh	29,231.35	30,949
Tamil Nadu	28,967.97	35,017
Bihar	25,589.31	27,442
Maharashtra	25,208.63	27,903
Rajasthan	18,571.38	19,662
Madhya Pradesh	18,474.24	19,060
Odisha	15,328.63	15,419
Andhra Pradesh	12,028.33	10,439.93
Total	2,32,935	2,42,869.93

Source: Annual Reports



Regional analysis

The region wise performance of Targets vs. Achievements divided into five regions based on their geography and the distribution of PMMY loans sanctioned during the year has been analyzed and given below:

Table 3: Performance based on Region

FY	2020-2022		2019-2021		Growth in Sanction Amount (%)
	No of A/Cs	Sanction Amount (in crore)	No of A/Cs	Sanction Amount (in crore)	
North	1,04,05,478 (21%)	78,555 (24%)	1,24,56,705 (20%)	82,045 (25%)	(4%)
East	1,70,88,159 (34%)	85,472 (27%)	1,95,89,404 (31%)	84,574 (25%)	1%
North East	16,81,086 (3%)	11,511 (4%)	22,78,699 (4%)	10,824 (3%)	6%
South	1,30,83,599 (26%)	90,325 (28%)	1,74,54,720 (28%)	98,767 (29%)	(9%)
West	84,76,724 (17%)	55,897 (17%)	1,04,68,078 (17%)	61,285 (18%)	(9%)
Total	5,07,35,046	3,21,722	6,22,47,606	3,37,495	(5%)

Source: Annual Reports

North East: Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura. 11,511 (-4%). **East:** Odisha, West Bengal, Bihar, Jharkhand, Chhattisgarh. 85,472 (-27%) **West:** Dadra & Nagar Haveli, Daman & Diu, Gujarat, Goa, Madhya Pradesh, Maharashtra. 55,897 (-17%). **South:** Karnataka, Kerala, Puducherry, Tamil Nadu, Telangana, Andhra Pradesh, Andaman & Nicobar, Lakshadweep. 90,325 (-28%). **North:** Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Delhi, Uttar Pradesh, Uttarakhand, Punjab and Rajasthan. 78,555 (-24%).

Loan Category Analysis

Mudra loans are extended in three categories based on the size of the loans. They are Shishu (up to 50,000), Kishore (above 50,000 and up to 5 lakh) and Tarun (Above 5 lakh and upto 10 lakh). The share of the three categories of PMMY has been analyzed and is given below in the table:

Assistance to less privileged sections

PMMY, since its implementation, has focused on providing incremental funding support to the weaker sections of the society. The share of subcategories of borrowers like SC, ST, OBC, Women and Minorities under different categories of PMMY loans was analyzed and details of the same are given below.

Table 4: Sub - Categories of borrowers: Sanctions (FY 2020-21)

Category	SHISHU		KISHOR		TARUN		TOTAL	
	No. of A/c	Amount	No. of A/c	Amount	No. of A/c	Amount	No. of A/c	Amount
General	1,91,09,271	52,164	58,33,669	94,426	9,21,759	69,353	2,58,64,699	2,15,942
							(51%)	(67%)
SC	73,34,828	19,714	10,38,947	9,430	24,642	1,680	83,98,417	30,824
							(17%)	(10%)
ST	26,62,727	7,218	4,43,598	4,344	16,957	1,168	31,23,282	12,730
							(6%)	(4%)
OBC	1,10,73,289	30,857	21,69,946	24,317	1,05,413	7,089	1,33,48,648	62,263
							(26%)	(19%)
Total	4,01,80,115	1,09,953	94,86,160	1,32,516	10,68,771	79,290	5,07,35,046	3,21,759
Out of the above:								
Women	2,77,53,288	74,490	54,68,211	50,731	82,105	6,082	3,33,03,604	1,31,303
							(66%)	(41%)
New Entrepreneur Accounts	56,18,675	13,439	16,54,007	34,562	4,67,899	35,336	77,40,581	83,337
							(15%)	(26%)
Minorities	28,83,587	8,004	12,38,860	15,260	49,614	3,653	41,72,061	26,917
							(8%)	(8%)

Source: Annual Reports

Out of the total amount sanctioned, 41% went to the women borrowers. 66% of the accounts in Shishu category belonged to women who were sanctioned 69% of the amount in the Shishu category. The reason for high share of women in Shishu category is lending of micro-loans by the MFIs primarily to women.

The share of the weaker section (SC/ ST/OBCs) borrowers of the society in the PMMY programme was 49% in terms of loan accounts, and 33% in terms of loan amount sanctioned. The shares of SC, ST and OBC category borrowers were 17%, 6% and 26%, respectively, in terms of the number of loans sanctioned.

Conclusion

Various aspects of Pradhan Mantri Mudra Yojana have been shown and the categories of Mudra Yojana such as 'Shishu', 'Kishor' and 'Tarun' have been presented in detail. The region wise performance of Targets vs. Achievements divided into five regions based on their geography and the distribution of PMMY loans sanctioned during the year has been analyzed. This paper fulfill its purpose shows the performance of top 10 states, where Karnataka ranks first in loan sanctions. Along with this, bank accounts and Sanction loans have also been shown under the Mudra scheme in different regions of India. Out of the total amount sanctioned, 41% went to the women borrowers. 66% of the accounts in Shishu category belonged to women who were sanctioned 69% of the amount in the Shishu category. The reason for high share of women in Shishu category is lending of micro-loans by the MFIs primarily to women. The total target for the financial year 2020-2021 was Target Rs. 3.50 lakh crore, the sanction amount 3,21,759 with growth rate of (5%).

References:

1. Gupta S. MUDRA: Financial Inclusion of the Missing Middle. Indian Journal of Applied Research. 2015, 5(11).
2. Kumar S. Impact of Mudra Yojana on Financial Inclusion. 6th International Conference on Recent Trends in Engineering, Science & Management. Punjab, 2017.
3. Mol TP S. Financial Inclusion: Concepts and Overview in Indian Context. Abhinav International Monthly Refereed Journal of Research in Management & Technology. 2014;3:28-35
4. Ramesh, P. Performance Evaluation of Mudra Bank Schemes - A Study. Anveshana's International Journal of Research in Regional Studies, Law, Social Sciences, Journalism and Management Practices. 2016, 116-120.
5. Roy, Anup Kumar. "Mudra Yojana- A Strategic tool for Small Business Financing", International Journal of Advance Research in Computer Science and Management Studies. 2016;4(1):68-72.
6. Rudrawar MAA, Uttarwar VR. An Evaluatory Study of MUDRA Scheme. International Journal of Multifaceted and Multilingual Studies, 2016, 3(6).
7. Shahid M, Irshad M. A Descriptive Study of Pradhan Manthri Mudra Yojana (PMMY). International Journal of Latest Trends in Engineering and Technology, 2016, 121-125.
8. Soni A. MUDRA: Micro Units Development and Refinance Agency. EPRA International Journal of Economic and Business Review, 2016, 33-36.
9. Jain R. Micro Units Development and Refinance Agency (Mudra) Yojana: The Most Innovative Way for Upliftment of Micro Industries. International Journal of Core Engineering & Management, 2015, 2(8).
10. Jain V. Mudra Bank: A Step towards Financial Inclusion. Review of Research Journal, 2016, 5(4).
11. Verma S. Chandra. Mudra Bank to "Fund Small Businesses". Research Spectra, ISSN 2394 – 9805, 2015, I(2-3).
12. Official website of MUDRA scheme. (<http://www.mudra.org.in/>)

