



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## Performance Review Of Pradhan Mantri Mudra Yojana (Pmmy)

Dr. Jalihal Sharanappa

Assistant Professor

Department of Commerce

Shri Gavisiddeshwar Arts, Science and Commerce College, Koppal

**Abstract:** The goal of the Pradhan Mantri MUDRA Yojana is to "fund the unfunded" by integrating micro-enterprises into the formal financial system. It focuses on providing affordable credit to small businesses. This scheme aims to fill credit gaps in small, micro, and tiny enterprises to encourage economic activity. The scheme enables loans to income-generating microenterprises that are non-corporate, non-farm small/microenterprises for up to INR 20 lakh. This paper aims to study the performance of the PMMY scheme for the period of nine years from its inception to 2024. This paper analyzed the performance in terms of the number of accounts opened and the amount disbursed for various schemes, castes, and genders under PMMY. In 9 years, cumulatively the PMMY program has benefitted 47.84 people with a disbursement of 28.22 lakh crore. It has been observed that more than 50% of the PMMY beneficiaries belong to the SC/ST/OBC categories, and over 35% of the total funds are distributed to them. Moreover, 68% of total account holders are women entrepreneurs, and 44% of the total funds are distributed to them. This suggests that the scheme is effectively meeting the credit requirements of the underprivileged population.

**Keywords:** MSME, PMMY, Mudra, Credit, Micro Enterprises and Performance.

### I) Introduction:

The Micro, Small and Medium Enterprises (MSMEs) sector acts as a role definer for the new-age entrepreneurs and is a cornerstone of socio-economic development in India. The MSME sector employs more than 60% of the workforce, generates 40% of exports, and contributes approximately 29% of India's GDP, according to the most recent study from Niti Aayog. Micro units continue to dominate the sector, accounting for 97% of all registered MSMEs. Small enterprises (2.7%) and medium-sized units (0.3%) follow. Microenterprises form the backbone of India's manufacturing and export landscape. They represent a major portion of the MSME universe; their contribution to GDP, job creation, and innovation is remarkable. Due to significant contributions, the Indian government prioritises supporting the sector's growth by strengthening the regulatory environment through programs and initiatives that cater to the MSME sector's credit and infrastructure requirements. One of the significant Government of India initiatives for enabling access to credit for MSMEs is the Pradhan Mantri MUDRA Yojana (PMMY) scheme launched by our respected Prime Minister Narendra Modi on the 8th of April 2015. PMMY targeted to "fund the unfunded" by bringing micro-enterprises into the formal financial system. It focuses on providing affordable credit to small businesses. This scheme aims to fill credit gaps in small, micro and tiny enterprises to encourage economic activity. The scheme enables loans to income-generating microenterprises that are non-corporate, non-farm small/microenterprises for up to INR 20 lakh. These loans are classified as MUDRA loans under PMMY. "MUDRA" is a refinancing institution. MUDRA does not lend directly to the individuals/micro-entrepreneurs. Mudra loans under PMMY are available from nearby commercial banks (both public and private), regional rural banks (RRBs), small financial institutions (SFIs), microfinance institutions (MFIs), and non-banking financial companies (NBFCs).

### III) Literature Review:

**Manish and Dwivedi (2017)** attempted to analyze the performance of PMMY. It includes the overview of PMMY, performance analysis of the scheme based on state, caste, and category, and SWOT analysis of the scheme was discussed. This study believes that PMMY is a wonderful initiative taken by the GOI; due to it, there is a big change in the area of microfinance. They concluded that this scheme will help the weaker section, low-income group, and unfunded population and also will increase the competition. Financial inclusion through PMMY increases the opportunities for credit requirements and refinancing. **Bhura and Jha (2019)** focused on the overview of Mudra Yojana, including the schemes offered by Mudra and the overall performance of PMMY. They observed that, in terms of performance, Tamil Nadu, Uttar Pradesh, and Karnataka are the top three states of India. They found that in terms of loan accounts, the Shishu category takes the lead. Where the Shishu and Tarun categories indicate a high correlation between sanctioned and disbursed amounts, Kishor indicates no such significant correlation. **In Gupta (2022)**, an attempt is made to know about the MUDRA Yojana and its key objectives. The paper highlights the role and importance of MUDRA Bank towards small business units. They concluded that mudra loans have made a positive impact on the bottom line of MSMEs, but the values of loans sanctioned are not aligned with MSMEs' business requirements.

### III) Brief Background and Silent features:

#### MUDRA Bank:

The establishment of the Micro Unit Development Refinance Agency Ltd. is announced in the Unit Budget 2015-16 as part of the PMMY. Accordingly, MUDRA was registered as a company in March 2015 under the Companies Act 2013 and as an NBFC with the RBI on 07 April 2015. Mudra is a public sector financial institution opened with the primary objective of developing the micro enterprise sector in the country by extending various supports, including financial support in the form of refinance, so as to achieve the goal of "funding the unfunded".

#### Purpose of the MUDRA loan:

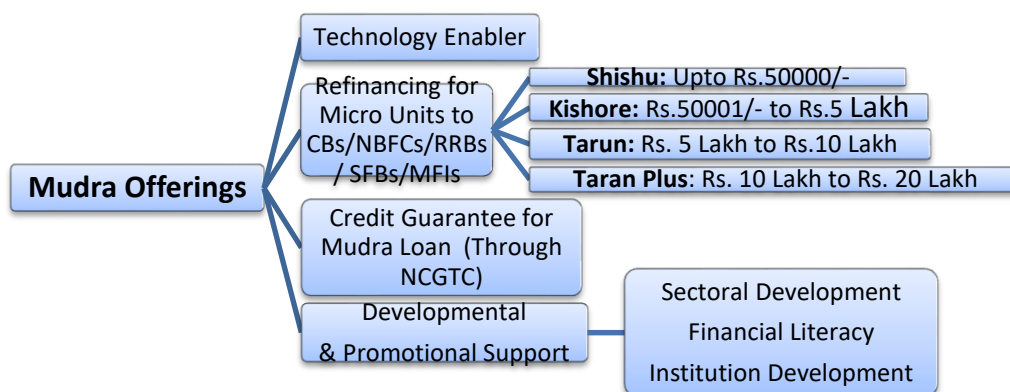
Mudra loans are extended for various purposes, including income generation and employment creation. The loans are provided mainly for:

- Business loans for traders, shopkeepers, vendors, and other service-related enterprises.
- Working capital loans with MUDRA Cards.
- Equipment loans for Micro Enterprises
- Loans for commercial transport vehicles only
- Loans for agricultural-related non-farm income-generating businesses, such as pisciculture, bee keeping, poultry farming, etc.
- Tractors, tillers, and two-wheelers used only for commercial purposes.

#### MUDRA Offerings:

MUDRA provides refinance support to banks/MFIs/NBFCs for lending to microenterprises up to 20 lakh. MUDRA provides refinance support to micro units under the scheme of PMMY. The other products aim to contribute to the development of the sector. Below is a picture of MUDRA's bouquet of offerings. The products focus on a wide range of benefit segments.

**Figure1: Mudra Offerings**



**Pradhan Mantri Mudra Yojana (PMMY):**

MUDRA has developed schemes under the PMMY umbrella. The interventions are called "Shishu," "Kishore," "Tarun," and "Tarun Plus" to indicate the funding needs and growth/development stage of the micro unit or entrepreneur that is receiving the assistance, as well as to serve as a benchmark for the subsequent graduation/growth phase.

- **Shishu** : Granting loans up to Rs. 50,000/-
- **Kishore** : Granting loans between Rs. 50,000/- to Rs. 5,00,000/-
- **Tarun** : Granting loans between Rs.5,00,000/- to Rs. 10,00,000/-
- **Tarun Plus (2024)**: Granting loans above Rs. 10,00,000/- and up to Rs. 20,00,000/- (designed only for Tarun category, who have previously availed and successfully repaid loans)

**Micro Credit Scheme:**

This scheme is offered mainly through Micro Finance Institutions (MFIs), who grant loans up to Rs. 1,00,000/- for various micro enterprise/small business activities. The MFIs deliver this scheme through SHGs, JLGs, and individuals, providing loans to individual entrepreneurs for specific income-earning microenterprises.

**Refinance Scheme for Banks/NBFCs/MFIs:**

Banks like Commercial Banks (CBs), Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Urban Co-operative Banks (UCBs), and NBFCs that provide term loans and working capital loans up to Rs 20 lakhs to small businesses can get refinance support from MUDRA. The banks that meet the rules of this program can get money back from MUDRA for the loans they provide for activities that follow MUDRA guidelines, which include categories like Shishu, Kishore, Tarun, and Tarun Plus.

**MUDRA Card:**

It is an innovative credit product available in the form of a RuPay debit card. For the working capital portion of the loan, it is issued against the Mudra Loan account. Borrower can get the loans in a hassle-free and flexible manner. It provides cash credit and overdraft facilities to the borrower for fulfilling working capital requirements. This card is also used to withdraw cash from an ATM, make purchase payments using a POS machine, and repay a loan. It can be operated across the country, and it also helps in the digitalisation of MUDRA transactions and the recording of the borrower's credit history.

**Beneficiaries of Mudra Scheme:**

Business segments comprising proprietorship and partnership firms apart from corporate businesses run as small manufacturing units, service sector units, shopkeepers, fruit/vegetable vendors, truck operators, food-service units, repair shops, machine operators, small industries, artisans, food processors and others in rural and urban areas.

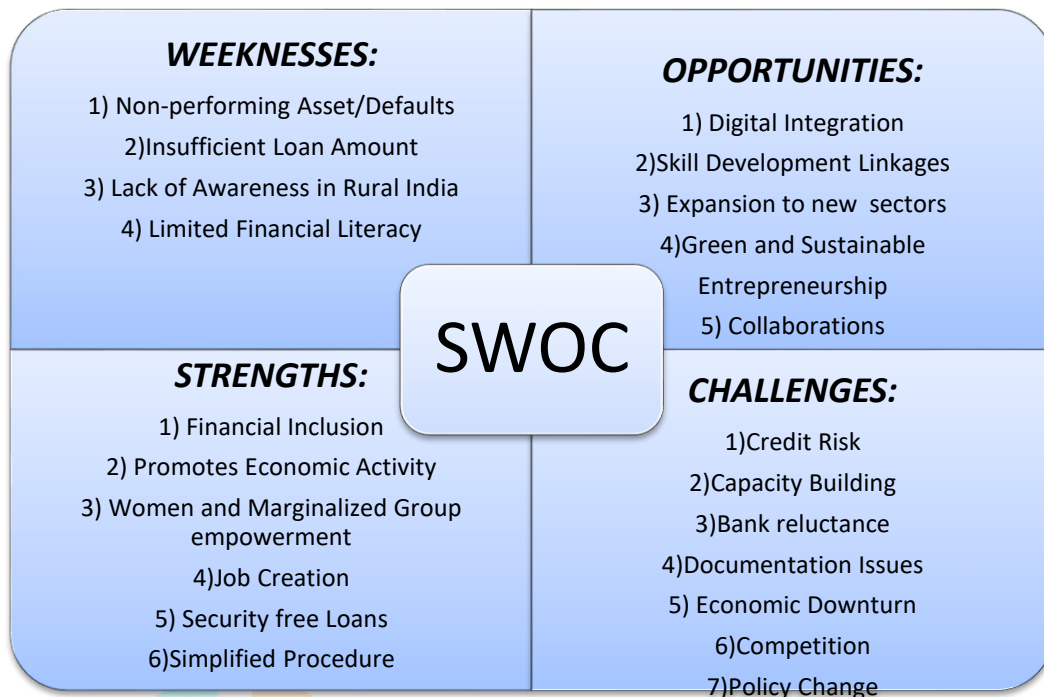
**IV) Objectives of the Study:**

- To study the Pradhan Mantri Mudra Yojana (PMMY).
- To analyze the strengths, weaknesses, opportunities, and challenges of PMMY.
- To analyze the progress and performance of PMMY.
- To analyze the distribution of loans under different beneficiary categories.

**V) SWOC Analysis of PMMY:**

SWOC analysis of PMMY helps to understand internal and external factors affecting their goals, so they can build on strengths, address weaknesses, seize opportunities, and prepare for challenges. The Pradhan Mantri Mudra Yojana (PMMY) enhances financial inclusion by providing collateral-free loans to micro and small firms, hence promoting entrepreneurship and job improvement with robust government support. The system encounters problems, including insufficient knowledge in rural regions, an elevated risk of defaults stemming from unsecured lending, and loan sizes that may inadequately satisfy business requirements. Opportunities exist to augment the scheme's efficacy via digital outreach, focused assistance for women entrepreneurs, and collaborations with fintech companies. Nevertheless, the program must address problems such as efficient loan oversight, credit risk management, and providing borrowers with sufficient business assistance and financial literacy to achieve sustainable results.

Figure 2: SWOC Analysis of PMMY



## VI) Research Methodology:

### Research Design:

The current study is descriptive in nature. The overview of Mudra Yojana, including its schemes and PMMY's performance, was the main subject of this study.

### Data Collection:

The data necessary for the analysis was exclusively obtained from secondary sources, including official PMMY reports, RBI publications, government databases, journals, news papers and published articles.

### Scope of the Study:

The present study has been focus on the Pradhan Mantri Mudra Yojana Scheme evaluation from the inception to till date i.e., 2015 -16 to 2023-24 years.

## VII) Data and Discussion:

### Loan Category Analysis:

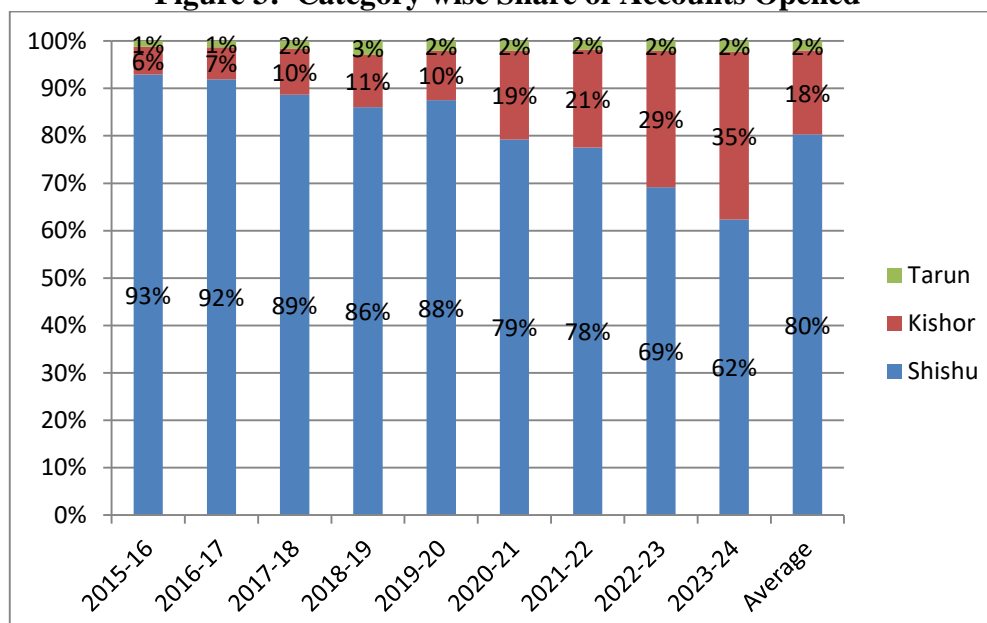
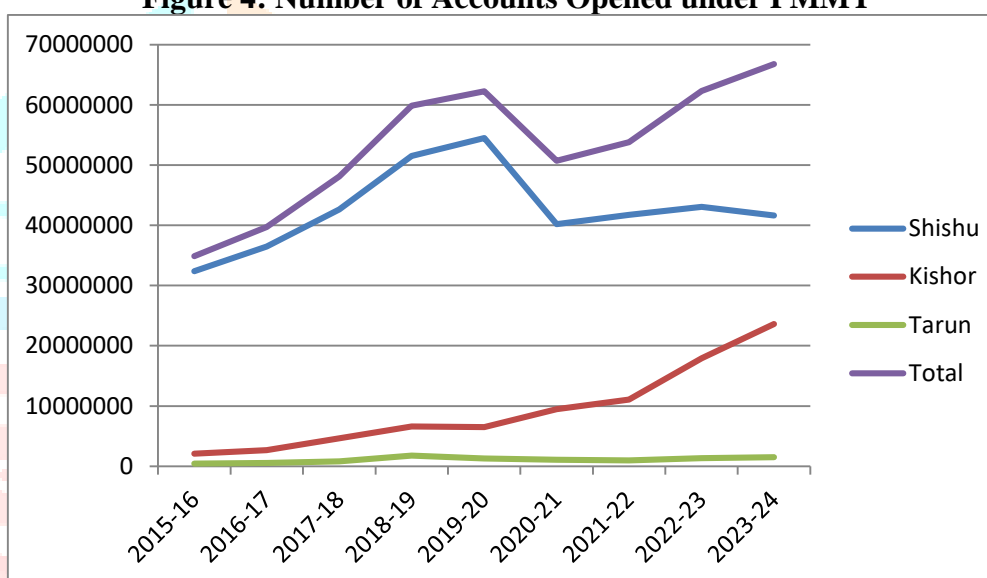
Mudra loans are categorised into three tiers according to the loan amount. They are classified as Shishu (up to ₹50,000), Kishore (above ₹50,000 and up to ₹5 lakh), and Tarun (above ₹5 lakh and up to ₹10 lakh). The breakdown of the three categories of PMMY has been analysed and is presented in Tables 1 & 2 below. The analysis in this section is based on the number of accounts and the amount of disbursement from the launch year, i.e., 2015-16, to 2023-24.

**Table 1: Number of Accounts Opened under PMMY**

Year	Shishu	GR (%)	Kishor	GR (%)	Tarun	GR (%)	Total	GR (%)
2015-16	32401046	-	2069461	-	410417	-	34880924	-
2016-17	36497813	12.6	2663502	28.7	539732	31.5	39701047	13.8
2017-18	42669795	16.9	4653874	74.7	806924	49.5	48130593	21.2
2018-19	51507438	20.7	6606009	41.9	1756871	117.7	59870318	24.4
2019-20	54480992	5.8	6471873	-2.0	1285116	-26.9	62237981	4.0
2020-21	40180115	-26.2	9486160	46.6	1068771	-16.8	50735046	-18.5
2021-22	41721154	3.8	11088206	16.9	986166	-7.7	53795526	6.0
2022-23	43077851	3.3	17915912	61.6	1316835	33.5	62310598	15.8
2023-24	41628309	-3.4	23630890	31.9	1517814	15.3	66777013	7.2
<b>Total</b>	<b>384164513</b>		<b>84585887</b>		<b>9688646</b>		<b>478439046</b>	
<b>CAGR</b>		<b>3.2</b>		<b>35.6</b>		<b>17.8</b>		<b>8.5</b>

(Source: Mudra Annual Reports)



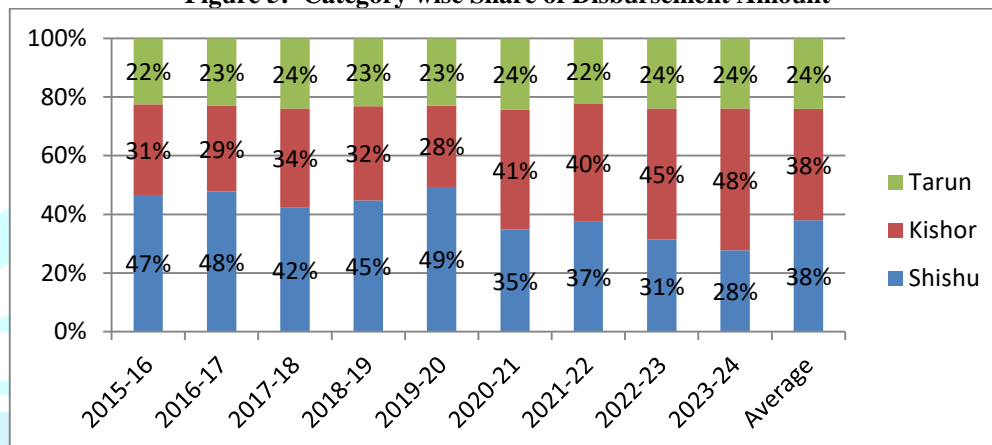
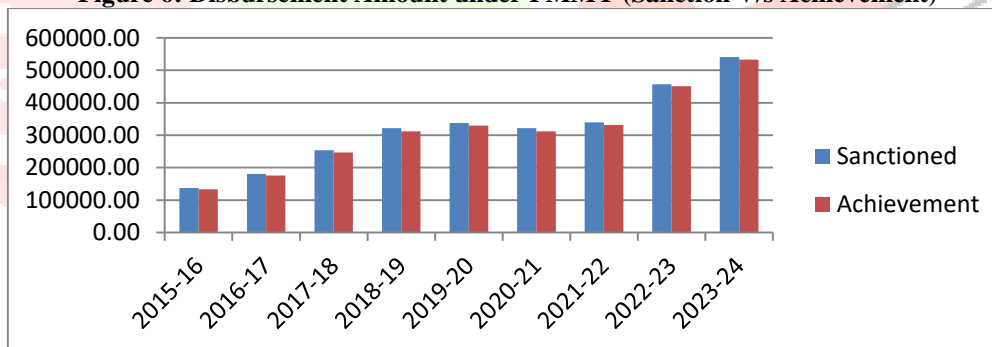
**Figure 3: Category wise Share of Accounts Opened****Figure 4: Number of Accounts Opened under PMMY**

From table 1 it is visible that among the three categories, Shishu loans had the largest share of 80.30% in terms of the number of accounts, followed by Kishor loans with a share of 17.68% since from inception to 2023-24. In nine years, cumulatively more than 47 crore MUDRA accounts have been opened, of which 38.41 crore are Shishu, 8.45 crore are Kishor, and 0.96 crore are Tarun. Remarkably, the overall proportion of Shishu has decreased from 93% in 2015–16 to 62.33% in 2023–24, whilst the Kishor account share has grown from 5.93% in 2015–16 to 38.38% in 2024–25. The rise clearly indicates that some Shishu accounts have expanded and taken advantage of higher-limit Kishor loans. This indicates that the size of MSME units is increasing. The total share of loan accounts in the Tarun category has remained relatively stable, with a slight increase from 1.17% in 2015-16 to 2.27% in 2023-24. On Analyzing the Y-O-Y growth, it is found that the scheme has not shown much growth post 2020-21, mostly due to economic slowdown during the pandemic – Covid 19. CAGR showed that Tarun increased at 17.76% annually, Kishore had the highest growth rate at 35.58% annually, and Shishu grew at an average annual rate of 3.18%. The annual growth rate for the total was 8.46%.

**Table 2: Disbursement Amount under PMMY**

(Amount in crores)								
Year	Shishu	GR (%)	Kishor	GR (%)	Tarun	GR (%)	Total	GR (%)
2015-16	62027.69	-	41073.28	-	29853.76	-	132955	-
2016-17	83891.88	35.2	51063.12	24.3	40357.13	35.2	175312	31.9
2017-18	104228.05	24.2	83197.09	62.9	59012.25	46.2	246437	40.6
2018-19	139651.55	34.0	99868	20.0	72291.84	22.5	311811	26.5
2019-20	162782.81	16.6	91427.07	-8.5	75474.75	4.4	329685	5.7
2020-21	108637.24	-33.3	127239.57	39.2	75877.66	0.5	311754	-5.4
2021-22	123969.05	14.1	133389.24	4.8	74043.91	-2.4	331402	6.3
2022-23	141609.85	14.2	200936.63	50.6	107877.18	45.7	450424	35.9
2023-24	147784.68	4.4	257094.5	27.9	127479.17	18.2	532358	18.2
<b>Total</b>	<b>1074583</b>		<b>1085289</b>		<b>662268</b>		<b>2822139</b>	
	<b>CAGR</b>	<b>11.5</b>	<b>CAGR</b>	<b>25.8</b>	<b>CAGR</b>	<b>19.9</b>	<b>CAGR</b>	<b>18.9</b>

(Source: Mudra Annual Reports)

**Figure 5: Category wise Share of Disbursement Amount****Figure 6: Disbursement Amount under PMMY (Sanction V/s Achievement)**

In table 2 disbursement amount under PMMY is presented. Among the three categories, Shishu and Kishore loans had the largest shares, at 38.08% and 38.46%, respectively, followed by Tarun loans at 23.47%. In nine years, cumulatively more than 28 lakh crore MUDRA loan amount have been disbursed, of which 10.74 lakh crore are Shishu, 10.85 lakh crore are Kishor, and 6.62 lakh crore are Tarun. Remarkably, the overall proportion of Shishu has decreased from 47% in 2015–16 to 28% in 2023–24, whilst the Kishor account share has grown from 31% in 2015–16 to 48% in 2024–25. The total disbursement of loan amount in the Tarun category has remained relatively stable. On Analyzing the Y-O-Y growth, it is found that the scheme has not shown much growth post 2020-21, mostly due to economic slowdown during the pandemic – Covid 19. CAGR showed that Tarun increased at 19.90% annually, Kishore had the highest growth rate at 25.77% annually, and Shishu grew at an average annual rate of 11.46%. The annual growth rate for the total was 18.94%. Approximately in total of 9 years 98% of the sanctioned amount was distributed to beneficiaries under PMMY.

Overall, it is observed that the Kishor category has shown significant growth in both loan accounts and disbursement amount, indicating a shift in focus towards this category. The Shishu category has shown a decline in loan accounts, indicating a decrease in focus towards this category. The total number of loan accounts and disbursement amount has shown an increasing trend, indicating a growing demand for credit in the MSME sector. The significant growth in the Kishor category indicates the need for targeted

interventions to support this segment. The disbursement amount has nearly quadrupled over the last 9 years. The total number of loan accounts opened and the amount disbursed in the Tarun category have remained relatively stable. A sustained increase in the quantity of loan accounts and the total disbursed amount over nine years indicates enhanced credit accessibility, growing entrepreneurship, and the effective execution of government-sponsored financial inclusion initiatives.

### Sub Category Analysis:

The PMMY scheme has focused on providing incremental funding support to the weaker sections of the society since its launch. This section presents the distribution of the PMMY for the subcategories based on caste (SC, ST, and OBC) and gender. The share of sub-categories of borrowers under different categories of PMMY loans is analysed, and details of the same are given in tables 3 & 4 below.

**Table 3: Distribution of Sub-Category wise number of accounts opened under PMMY**

Category	Shishu				Kishor				Tarun				Total			
Year	SC	ST	OBC	W	SC	ST	OBC	W	SC	ST	OBC	W	SC	ST	OBC	W
2015-16	18%	5%	31%	84%	7%	3%	20%	23%	5%	2%	10%	13%	18%	5%	30%	79%
2016-17	19%	5%	35%	78%	5%	2%	21%	23%	2%	1%	10%	9%	18%	5%	34%	73%
2017-18	19%	6%	33%	75%	7%	2%	20%	29%	2%	1%	9%	10%	18%	5%	32%	70%
2018-19	17%	6%	27%	65%	8%	3%	21%	44%	8%	7%	11%	45%	16%	6%	26%	62%
2019-20	17%	7%	25%	66%	11%	4%	26%	46%	3%	2%	9%	31%	17%	6%	25%	63%
2020-21	18%	7%	28%	69%	11%	5%	23%	58%	2%	2%	10%	8%	17%	6%	26%	66%
2021-22	19%	7%	28%	73%	13%	5%	28%	71%	3%	2%	11%	10%	17%	7%	28%	71%
2022-23	19%	6%	29%	76%	13%	4%	27%	63%	3%	2%	12%	12%	17%	6%	28%	71%
2023-24	18%	6%	29%	73%	12%	4%	23%	51%	5%	2%	13%	13%	16%	5%	26%	64%
<b>Average</b>	<b>18%</b>	<b>6%</b>	<b>29%</b>	<b>73%</b>	<b>11%</b>	<b>4%</b>	<b>24%</b>	<b>45%</b>	<b>4%</b>	<b>3%</b>	<b>11%</b>	<b>17%</b>	<b>50.26%</b>			<b>68%</b>

(Source: Computed from Mudra annual reports)

In-depth analysis of table 3 reveals that people belonging to SC, ST, and OBC have more Shishu accounts, followed by Kishore, and least of all, the Tarun category. Overall it is observed that in a period of 9 years, the majority, i.e., 50.26%, of loan accounts belong to the SC, ST, & OBC categories. It is clear, indicating that PMMY is addressing the credit needs of weaker sections, especially in the Kishor and Tarun categories, and their participation in the Tarun category needs to be enhanced. The analysis of women's accounts revealed that out of the total accounts, 73% belong to Shishu, 45% to Kishor, and 17% to Tarun. It is observed that the women's representation is largest in shishu, followed by kishor, and lowest in tarun. Overall, in a period of 9 years, 67.93% of loan accounts belonged to women beneficiaries. Additionally, the number of women accounts holders as a percent of the total accounts under the Mudra scheme witnessed a fall from 79% in 2015-16 to 64% in 2023-24. However, despite this, they continue to maintain their presence and hold the majority of accounts in the scheme compared to other genders.

**Table 4: Distribution of sub- category wise disbursement amount under PMMY**

Category	Shishu				Kishor				Tarun				Total			
Year	SC	ST	OBC	W	SC	ST	OBC	W	SC	ST	OBC	W	SC	ST	OBC	W
2015-16	17%	5%	32%	82%	7%	3%	17%	21%	4%	2%	10%	13%	11%	4%	22%	48%
2016-17	19%	4%	35%	79%	4%	2%	17%	17%	2%	1%	10%	8%	11%	3%	24%	45%
2017-18	18%	5%	32%	76%	4%	2%	17%	19%	2%	1%	9%	9%	10%	3%	21%	41%
2018-19	16%	5%	26%	67%	5%	2%	17%	26%	2%	1%	8%	13%	9%	3%	19%	41%
2019-20	17%	6%	24%	67%	6%	3%	20%	28%	2%	1%	8%	11%	10%	4%	19%	43%
2020-21	18%	7%	28%	68%	7%	3%	18%	38%	2%	1%	9%	7%	10%	4%	19%	41%
2021-22	18%	6%	28%	72%	10%	4%	23%	51%	2%	1%	10%	9%	11%	4%	22%	50%
2022-23	18%	6%	30%	79%	9%	3%	23%	46%	2%	2%	10%	10%	10%	4%	22%	48%
2023-24	18%	6%	29%	73%	10%	4%	21%	39%	4%	2%	11%	11%	11%	4%	21%	42%
<b>Average</b>	<b>18%</b>	<b>6%</b>	<b>29%</b>	<b>74%</b>	<b>8%</b>	<b>3%</b>	<b>20%</b>	<b>32%</b>	<b>2%</b>	<b>2%</b>	<b>10%</b>	<b>10%</b>	<b>35%</b>			<b>44%</b>

(Source: Computed from Mudra annual reports)

An analysis of table 4 reveals that the share disbursement amount is more to people belonging to SC, ST, and OBC in Shishu accounts, followed by Kishore, and least to the Tarun category. Overall it is observed that in a period of 9 years, the majority, i.e., 35%, of the disbursement amount belongs to the SC, ST, & OBC categories. It is clear, indicating that PMMY is addressing the credit needs of weaker sections, especially in the Kishor and Tarun categories, and their participation in the Tarun category needs to be enhanced. The analysis of the amount disbursed to women revealed that out of the total accounts, 74% belong to Shishu, 32% to Kishor, and 10% to Tarun. It is observed that the women's representation is largest in shishu, followed by kishor, and lowest in tarun. Overall, in a period of 9 years, 44% of the amount disbursed belonged to women beneficiaries. Additionally, the share of the amount disbursed to women under the Mudra scheme witnessed a fall from 48% in 2015-16 to 42% in 2023-24. However, despite this, they continue to maintain their presence.

### Average loan size analysis:

The average size of loans extended under PMMY in different categories of loan is analyzed and given in table 5 below.

**Table 5: Average size of loan extended under PMMY**

(In Rs.)

Year	Shishu	GR (%)	Kishor	GR (%)	Tarun	GR (%)	Total	GR (%)
2015-16	19144	-	198473	-	727401	-	38117	-
2016-17	22985	20%	191714	-3%	747725	3%	44158	16%
2017-18	24427	6%	178770	-7%	731324	-2%	51202	16%
2018-19	27113	11%	151178	-15%	411481	-44%	52081	2%
2019-20	29879	10%	141268	-7%	587299	43%	52972	2%
2020-21	27038	-10%	134132	-5%	709952	21%	61448	16%
2021-22	29714	10%	120298	-10%	750826	6%	61604	0%
2022-23	32873	11%	112155	-7%	819216	9%	72287	17%
2023-24	35501	8%	108796	-3%	839887	3%	79722	10%
<b>Average</b>	27630	8%	148532	-7%	702790	5%	57066	10%
<b>CAGR</b>		<b>8%</b>		<b>-7.2%</b>		<b>1.8%</b>		<b>9.7%</b>

(Source: Computed from Mudra annual reports)

**Figure 7: Average loan amount under PMMY category wise (in Rs.)**

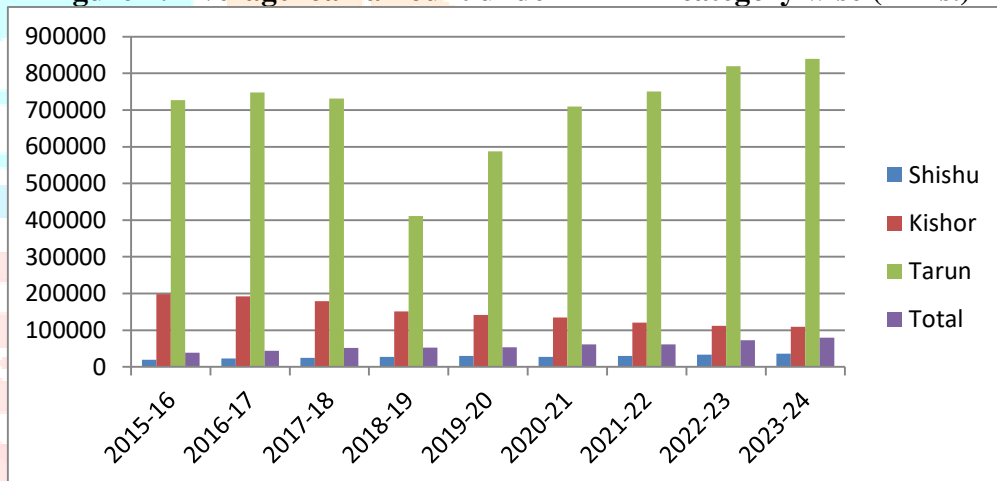


Table 5 depicts that the average loan size under PMMY during 2023-24 increased to 27630 as against 19144 in 2015-16 for the shishu category and decreased to 148532 as against 198473 and 702790 as against 727401 for the kishor and tarun categories, respectively. Over the years, i.e., 2015 onwards, the average loan size for Shishu accounts showed a positive trend of increase in size (CAGR of 8%); however, for the years 2020-21, it started to decline and has observed a YoY decrease of around 10 percent, possibly due to covid. Further, the average loan size under the Kishore category is declining year after year and witnessing a fall of 7.2% CAGR. In the case of the Tarun category, one can observe that initially there is a falling trend in the average loan, and later it was positively moved. Overall there is a positive CAGR of 1.8%. An analysis of the total average loan size over the years indicates there has been a gradual increase in the loan size over the years with a CAGR of 9.7%.

### VIII) Conclusion:

The Pradhan Mantri Mudra Yojana (PMMY) continues to assist millions of underfunded micro-borrowers throughout the nation by providing essential loans for their economic endeavours, thereby enhancing their quality of life. In 9 years, cumulatively more than 47 crore accounts of MUDRA have been opened, of which 80% of the accounts are Shishu (>38 crore), 18% are Kishor (>8 crore), and 2% are Tarun (<1 crore). The PMMY program, during the last nine years, has disbursed the amount of 28.22 lakh crore, and among the three categories, Shishu and Kishor loans had the largest share of 38% each, followed by Tarun loans at 23%. Remarkably, the overall proportion of Shishu has decreased from 93% in 2015–16 to 62.33% in 2023–24, whilst the Kishor account share has grown from 5.93% in 2015–16 to 38.38% in 2024–25. The rise clearly indicates that some Shishu accounts have expanded and taken advantage of higher-limit Kishor



loans. This indicates that the size of MSME units is increasing. The total share of loan accounts in the Tarun category has remained relatively stable, with a slight increase from 1.17% in 2015-16 to 2.27% in 2023-24. Overall, it is observed that the Kishor category has shown significant growth in both loan accounts and disbursement amount, indicating a shift in focus towards this category. The Shishu category has shown a decline in loan accounts, indicating a decrease in focus towards this category. The total number of loan accounts and disbursement amount has shown an increasing trend, indicating a growing demand for credit in the MSME sector. The significant growth in the Kishor category indicates the need for targeted interventions to support this segment. PMMY is making non-general social classes financially independent. 50% of 47 crore PMMY accounts belong to the SC/ST and OBC social classes. Interestingly, 68% of total account holders are women entrepreneurs. The high percentage of women in terms of the number of accounts is mainly due to the high share of microfinance institutions in Shishu loans, where women borrowers mostly make up the clientele. This scheme has performed adequately and, with its commitment to assist MSMEs, possesses significant potential to finance underfunded small businesses and enhance loan accessibility for micro companies.

## References:

- 1) Agarwal, M., & Dwivedi, R. (2017). Pradhan Mantri Mudra Yojna : A Critical Review. KIIT Journal of Management , 97-106.
- 2) Bhura, P. K., & Jha, A. K. (2019). A critical analysis of over all performance of Pradhan Mantri Mudra Yojna (PMMY) . International Journal of Applied Research , 193-198.
- 3) Gupta, S. K. (2022). Research Report on Financial Performance of MUDRA Yojna for the time period of 2015-2019 . Asian Journal of Management , 251-261.
- 4) <https://indiacsir.in/msmes-contribute-29-to-indias-gdp-report/>
- 5) <https://www.niti.gov.in/sites/default/files/2025-05/Designing-a-Policy-for-Medium-Enterprises.pdf>
- 6) <https://www.mudra.org.in/>
- 7) <https://www.researchgate.net/profile/Sheegufa-Inayat/publication/383868342/figure/tbl3/AS:11431281276896841@1725864088558/SWOT-Analysis-of-PM-MUDRA-Scheme.png>
- 8) [https://sansad.in/getFile/annex/267/AU2780\\_BTT0uC.pdf?source=pqars](https://sansad.in/getFile/annex/267/AU2780_BTT0uC.pdf?source=pqars)
- 9) Mudra annual reports from 2015-16 to 2023-24.