



ROLE OF PRADHAN MANTHRI MUDRA YOJANA IN INDIA – A CASE STUDY

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ABSTRACT MUDRA intends to support the large number of aspiring entrepreneurs by bringing them into the formal financial system and extending affordable credit to them. In the last 7 years of its operations, extending a cumulative amount of Rs. 18.91 lakh crore under the programme to 34.93 crore loan accounts to the lending all institutions. The objective of the study was to study the role of Pradhan Manthri Mudra Yojana in India and analyze the contribution of PMMY in the promotion of financial inclusion in India. The result reveals that the scheme was successful in achieving the main objectives of MUDRA.

KEYWORDS : MUDRA, PMMY

INTRODUCTION

Micro Units Development & Refinance Agency Limited (MUDRA) launched on 8th April 2015, with a corpus of Rs.20,000 crore and a credit guarantee corpus of Rs.3,000 crore. MUDRA was initially formed as a wholly owned subsidiary of Small Industries Development bank of India (SIDBI) with a 100% capital contribution. Presently, the authorized capital of MUDRA is 1000 crores and the paid up capital is 750 crores, fully subscribed by SIDBI. It is also known as the Mudra loan scheme, which is open and available from all bank branches across the country. To address the critical issue of establishing and providing formal credit to the unserved/underserved unorganized and Micro segment of the MSMEs in the country, To state that it was an onerous mission would be to understate the enthusiasm with which the journey was embarked upon by all the stakeholders who realized the vital role played by this unserved/underserved segment in the Indian economy, be it in terms of employment generation or wealth creation or attempting to reduce income disparities. The total amount of Rs.3.39 lakh crore was sanctioned in 5.37 crore loan accounts, which has helped in extending the much-needed financial support to the informal and micro enterprises, mostly promoted by the weaker sections of society, viz., SC/ST/OBC/Women entrepreneurs during the financial year 2021-22. In the last 7 years of its operations, extending a cumulative amount of Rs. 18.91 lakh crore under the programme to 34.93 crore loan accounts, the lending institutions, which include all the Public Sector Banks, Private Sector Banks, Regional Rural Banks, Small Finance Banks, Micro-Finance Institutions (MFIs) and Non-Banking Financial Companies, primarily benefiting the borrowers of weaker sections of the society.

Review Of Literature

Mahammad Shahid (2016). The study is an attempt to find out about the MUDRA Yojana and its key objectives and analyze the product offerings and performance so far of the scheme.

Dr. C. Vijai (2018). The study highlights the opportunity, benefits, and performance of PMMY in India, especially in Tamilnadu.

P.A. Ibrahim (2018). The study analysed the performance of MUDRA yojana, an initiative of the Government of India to escalate micro-enterprises. The result reveals that government initiative for financing micro-enterprises is moving in a balanced direction. The government should improve the bracket of beneficiaries as well as focus on the quality of the credit rather than the quantity of the credit.

Dr Anugrah Rohini Lall (2018). The study throws light on the performance of the Scheme in India and also brings out the performance of the Mudra Yojana in Uttarakhand. The analysis reveals that people are becoming encouraged to develop entrepreneurship by taking initiative to start their own work. The performance of mudra yojana was successful in the Kishor and Tarun Categories.

Dr. Yogesh D Mahajan (2019). The study reviews PMMY in the state of Maharashtra. It is found that the Mudra scheme has been fairly successful in the state of Maharashtra, but more needs to be done for financial inclusion of all categories of people.

Dr. Pushpender Kumar (2021). The study investigates the impact of mudra yojana on the socioeconomic growth and development of

women in India. The results show a positive role of mudra in improving the status of women in our society. Mudra loans have made women financially independent and helped them establish their own businesses.

Shanigaram Gangadhar (2022). The study throws light on schemes of Mudra Yojana in India. Mudra as a financial tool is found very effective in its early stages across the country. This will definitely make a dramatic change and will help in making a developed India.

Objective Of The Study

- To study the Role of Pradhan Manthri Mudra Yojana in India
- To analyze the contribution of PMMY to the promotion of financial inclusion in India

Methodology Of The Study

The study is based on secondary sources of data and information. Collected through different books, newspapers and relevant websites like MUDRA Yojana, PMJDY and Government Publications have been consulted in order to make the study an effective one. The aim of the research is to study the role of Pradhan Manthri Mudra Yojana in India and to analyze the contribution of PMMY in the promotion of financial inclusion in India.

DATA ANALYSIS AND DISCUSSION

Table -1 Trend Of Pradhan Manthri Mudra Yojana In India During 2015-16 to 2021-22

Year	Number of loan accounts	Trend in %	Amount sanctioned (Amount in Rs. crore)	Trend in %	Average loan size (Amount in Rs.)
2015-16	3,48,80,924	-	1,37,449.27	-	39405.28
2016-17	3,97,01,047	13.82	1,80,528.54	31.34	45471.98
2017-18	4,81,30,593	37.99	2,53,677.10	84.56	52706.00
2018-19	5,98,70,318	71.64	3,21,723.00	134.07	53736.64
2019-20	6,22,47,606	78.46	3,37,495.00	145.54	54218.15
2020-21	5,07,35,046	45.45	3,21,759.25	134.09	63419.52
2021-22	5,37,95,526	54.23	3,39,110.35	146.72	63036.91
Total	34,93,61,060		18,91,742.51		

Source: Annual reports of mudra yojana

The table 01 reveals the trend of Pradhan Manthri Mudra Yojana in India during 2015-16 to 2021-22. The number of loan accounts opened was 3,48,80,924 during the year 2015-16. It was increased to 34,93,61,060 cumulatively during the last 7 years and the highest accounts were opened during the year 2019-20 i.e., 6,22,47,606, with a percentage of 78.46% as compared to 2015-16. The amount sanctioned was Rs.1,37,449.27 Crore in the year 2015-16 and it was increased to Rs.18,91,742.51Crore cumulatively during the last 7 years and the highest amount sanctioned during the year 2021-22 i.e., Rs.3,39,110.35 crore in percentage 146.72% compare to 2015-16. The highest average loan was recorded in 2020-21 i.e., Rs.63,419.52., it shows that the performance of Pradhan Manthri Mudra Yojana in India was good and growth took place each year.

Table -2 Number Of Loan Accounts Category-wise Analysis Of PMMY Scheme During 2015-16 to 2021-22

Category	Shishu		Kishor		Tarun		Total
	Year	Number of loan Accounts	Trend in %	Number of loan Accounts	Trend in %	Number of loan Accounts	
2015-16	3,24,01,046	-	20,69,461	-	4,10,417	-	3,48,80,924
2016-17	3,64,97,813	12.64	26,63,502	28.71	5,39,732	31.51	3,97,01,047
2017-18	4,26,69,795	31.69	46,53,874	124.88	8,06,924	96.61	4,81,30,593
2018-19	5,15,07,438	58.97	66,06,009	219.21	17,56,871	328.07	5,98,70,318
2019-20	5,44,90,617	68.18	64,71,873	212.73	12,85,116	213.12	6,22,47,606
2020-21	4,01,80,115	24.01	94,86,160	358.39	10,68,771	160.41	5,07,35,046
2021-22	4,17,21,154	28.76	1,10,88,206	435.80	9,86,166	140.28	5,37,95,526
Total	29,94,67,978		4,30,39,085		68,53,997		34,93,61,060

Source: Annual reports of mudra yojana

The table 02 shows the number of loan accounts Category-wise analysis of the PMMY scheme from 2015-16 to 2021-22. In the Shishu scheme, the total number of loan accounts opened was 29,94,67,978 during the last 7 years. The highest number of loan accounts were opened during the year 2019-20, i.e., 5,44,90,617 in percentage 68.18% as compare to 2015-16. In the Kishor scheme, the total number of loan accounts opened was 4,30,39,085 during the last 7 years. The highest number of loan accounts were opened during the year 2021-22 i.e., 1,10,88,206 in percentage 435.80% as compare to 2015-16. In the Tarun scheme, the total number of loan accounts opened was 68,53,997 during the last 7 years. The highest number of loan accounts were opened during the year 2018-19 i.e., 17,56,871 in percentage, 328.07% as compared to 2015-16. Cumulatively, the total number of accounts opened in all schemes was 34,93,61,060 in the last 7 years. The highest number of loan accounts were opened in the year 2019-20 i.e., 6,22,47,606. It shows that the Kishor scheme performed well compared to other schemes.

Table -3 Analysis Of Amount Sanctioned To PMMY Scheme During 2015-16 To 2021-22

Category	Shishu		Kishor		Tarun		Total
	Year	Amount sanctioned (Rs. in crore)	Trend in %	Amount sanctioned (Rs. in crore)	Trend in %	Amount sanctioned (Rs. in crore)	
2015-16	62,894.96		43,052.55		31,501.76		1,37,449.27
2016-17	85,100.74	35.31	53,545.14	24.37	41,882.66	32.95	1,80,528.54
2017-18	1,06,001.60	68.54	86,732.15	101.46	60,943.36	93.46	2,53,677.11
2018-19	1,42,345.00	126.32	1,04,387.00	142.46	74,991.00	138.05	3,21,723.00
2019-20	1,63,559.00	160.05	95,578.00	122.00	78,358.00	148.74	3,37,495.00
2020-21	1,09,953.34	74.82	1,32,516.34	207.80	79,289.57	151.70	3,21,759.25
2021-22	1,24,747.37	98.34	1,37,644.38	219.71	76,718.61	143.54	3,39,110.35
Total	7,94,602.01		6,53,455.56		4,43,684.96		18,91,742.52

Source: Annual reports of mudra yojana

Table number 3 reveals the analysis of the amount sanctioned to the PMMY scheme during 2015-16 to 2021-22. In the Shishu scheme, the total amount sanctioned was 7,94,602.01 crore during the last 7 years. The highest amount sanctioned during the year 2019-20 i.e., 1,63,559 crore in percentage is 160.05% as compared to 2015-16. In the Kishor scheme, the total amount sanctioned was 6,53,455.56 crore during the

last 7 years. The highest amount sanctioned during the year 2021-22 i.e., 1,37,644.38 crore in percentage is 219.71% as compared to 2015-16. In the Tarun scheme, the total amount sanctioned was 4,43,684.96 crore during the last 7 years. Highest amount sanctioned during the year 2020-21 i.e., 79,289.57 crore in percentage 151.70% as compared to 2015-16. Cumulatively, the total amount sanctioned in all schemes was 18,91,742.52 crore in the last 7 years. Highest amount sanctioned in the year 2019-20 i.e., 1,63,559 crore. It shows that the Shishu scheme performed well compared to other schemes.

Table-4 Trends In Refinance Sanctions During 2015-16 To 2021-22

Bank Category	PSB +RRB (Rs. in crore)	PVT+S FB (Rs. in crore)	MFI (Rs. in crore)	NBFC (Rs. in crore)	PTC (Rs. in crore)	Total (Rs. in crore)	Trend in %
Year							
2015-16	2,671.25	0	812.00	0	49.95	3,533.20	
2016-17	2,068.52	0	820.00	399.00	271.42	3,558.94	0.73
2017-18	4,072.48	1600.00	446.50	1,137.00	721.92	7,977.90	125.80
2018-19	4,529.00	1270.00	236.00	1200.00	323.10	7,558.10	113.92
2019-20	2,158.00	264.00	1,080.00	1,309.00	0	4,811.00	36.17
2020-21	10,479.65	1077.00	356.00	400.00	0	12,312.65	248.48
2021-22	11,807.87	633.28	1,025.00	2,090.00	66.66	15,622.81	342.17
Total	37,786.77	4,844.28	4,775.50	6,535.00	1,433.05	55,374.60	

Source: Annual reports of mudra yojana

Table number 4 reveals the Trends in Refinance Sanctions during 2015-16 to 2021-22. The total amount sanctions to Public sector banks and regional rural banks during the years 2015-16 to 2021-22, i.e., Rs.37,786.77 crore. The highest amount was sanctioned during the year 2021-22 i.e., Rs. 11,807.87 crore. The total amount sanctioned to private sector banks and small finance banks during the years 2015-16 to 2021-22, i.e., is Rs. 4,844.28 crore; the highest amount was sanctioned during the year 2017-18, i.e., Rs. 1,600 crore. The total amount sanctioned to microfinance institutions during the years 2015-16 to 2021-22 i.e., Rs. 4,775.50 crore, the highest amount was sanctioned during the year 2019-20 i.e., Rs. 1,080 crore. The total amount sanctioned to non-banking financial companies during the year 2015-16 to 2021-22 i.e., Rs. 6,535 crore, the highest amount was sanctioned during the year 2021-22 i.e., Rs. 2,090 crore. The total amount of refinancing sanctioned to all categories of banks during the year 2015-16 to 2021-22 i.e., Rs. 55,374.60 crore in percentage wise increased to 342.17%.

CONCLUSIONS

Entrepreneurship is booming in India. MUDRA intends to support the large number of aspiring entrepreneurs by bringing them into the formal financial system and extending affordable credit to them. In the last 7 years of its operations, extending a cumulative amount of Rs. 18.91 lakh crore under the programme to 34.93 crore loan accounts to lending all institutions, the MUDRA scheme was one of the best successful in the Indian economy. The study reveals the progress of all categories of schemes and stakeholders during the last seven years. It gave a new direction to the development of the Indian economy.

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