

## REGIONAL ANALYSIS OF PRADHAN MANTRI MUDRA YOJANA

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### Abstract:

Financial Inclusion is one of the most treasured strategies in India. Our monetary arrangement has dependably been driven by a basic plan of practical and comprehensive development. The primary point behind the monetary consideration is to cover the entire population under monetary administrations. The government of India (GOI) has introduced some of the major steps to “fund the unfunded” micro enterprises segment. One of the initiatives taken by the Government of India (GOI) is the Pradhan Mantri Mudra Yojana (PMMY) which plays an important role in achieving success in financial inclusion. The idea behind the scheme is to provide a credit requirement to small businesses of up to 10 lakhs. This research paper includes an overview of PMMY and a region-wise performance analysis of the Pradhan Mantri Mudra Yojana.

Financial inclusion through PMMY would be instrumental to bring economic change to society. MUDRA is the ‘Micro Unit Development and Refinance Agency’. This yojana is a reform measure taken by the Government of India to boost the financial condition of micro small and medium enterprises (MSME). The financial initiative taken in the form of the MUDRA scheme will facilitate the micro units and will be able to provide credits and funds to develop their small businesses.

**Keywords:** *MUDRA, Regional Analysis, Performance, PMMY, SHISHU, KISHOR, TARUN, Schemes.*

## INTRODUCTION

Pradhan Mantri Mudra Yojna was launched by the Honorable Prime Minister of India Shri. Narendra Modi on 8<sup>th</sup> April 2015. Pradhan Mantri Mudra Yojana (PMMY) is a scheme initiated by the Government of India to provide loans up to Rs. 10 lakhs to non-corporate, non-farm small/ micro enterprises. Under PMMY, people involved in entrepreneurial activities can avail of loans up to Rs. 10 lakhs. The loans are offered under the 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

To attain inclusively and sustainably development by supporting and promoting partner institutions and creating an ecosystem of growth for the micro enterprise's 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 fulfill growth/ development and funding needs of micro-enterprises and they also suggest them for their future opportunities which they can get.

- Shishu: Upto Rs 50,000.
- Kishore: from Rs 50,000 to Rs 500,000.
- Tarun: from Rs 5,00,000 to Rs 10,00,000.

## LITERATURE REVIEW

**Anup Kumar Ray (2016)** identified MUDRA Yojana as a strategic tool for small business financing. He has highlighted the importance of MUDRA banks in the upliftment of small business enterprises. By analyzing the data on the number of accounts and loans sanctioned under the scheme, he has stated that MUDRA has been found very effective in its early stages across the country and has contributed to the well-being of small-scale entrepreneurs.

**Vinati (2016)** concluded that under Mudra Scheme, Rs.1.25 trillion in disbursements have been done in the space of less than a year. If such rates of growth were maintained, they would constitute a sizeable chunk of total non-farm credit in the economy. Therefore, given its importance to the future evolution of the economy, it is useful to have as precise an idea as possible, ex-ante, of the economic and social outcomes that the government is seeking with such generous credit support.

**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.

**Vidushi Sahani & Aparna Raman (2018)** assessed the impact of PMMY in Delhi NCT. According to their report, the MUDRA yojana has been successful in generating employment and creating means of livelihood for the semi-skilled, unskilled as well as other lower socio-economic segments of the society. They found out that the majority of the beneficiaries used loans for expansion/working capital requirements of their business while others used them for starting a new business.

**Abdul Khadar & Dr. A. Abdul Rahim (2018)** analyzed the roles and responsibilities of the MUDRA scheme in the development of the micro sector. They stated that out of the total number of micro-units in the country around 54% of these units are owned by the rural population. Thus, this scheme will not only help in improving the quality of life of these entrepreneurs but also create substantial employment opportunities thereby improving the economic status of the rural population as well as the entire nation.

**P.A.Ibrahim (2018)** conducted a study to assess the performance of the MUDRA scheme region-wise, category-wise as well agency-wise. The scheme has been widely reached by women entrepreneurs and new

entrepreneurs. Northern states have participated less in availing benefits under the scheme compared to other regions. Also, the Shishu category performed better than other categories of the scheme and private sector banks have outperformed the loan sanction and disbursement process.

### Objective

- The purpose of the paper is to analyze regional performance under PMMY in terms of growth in the loan sanction process since the inception of the scheme.
- To assess the achievements made under the three categories of the scheme which are Shishu, Kishore, and Tarun.

### Research Methodology

The data for the present study has been collected primarily from secondary sources. Secondary data has been collected from reliable sources such as published journals, articles, and government websites. Year-wise comparison of the number of accounts and amount of loans sanctioned by different agencies has been made to assess their performance and the trend has been depicted by way of charts and graphs.

**North East:** Assam, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura,

**North:** Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Delhi, Uttar Pradesh Uttarakhand, Punjab and Rajasthan;

**West:** Dadra & Nagar Haveli, Daman & Diu, Gujarat, Goa, Madhya Pradesh, Maharashtra

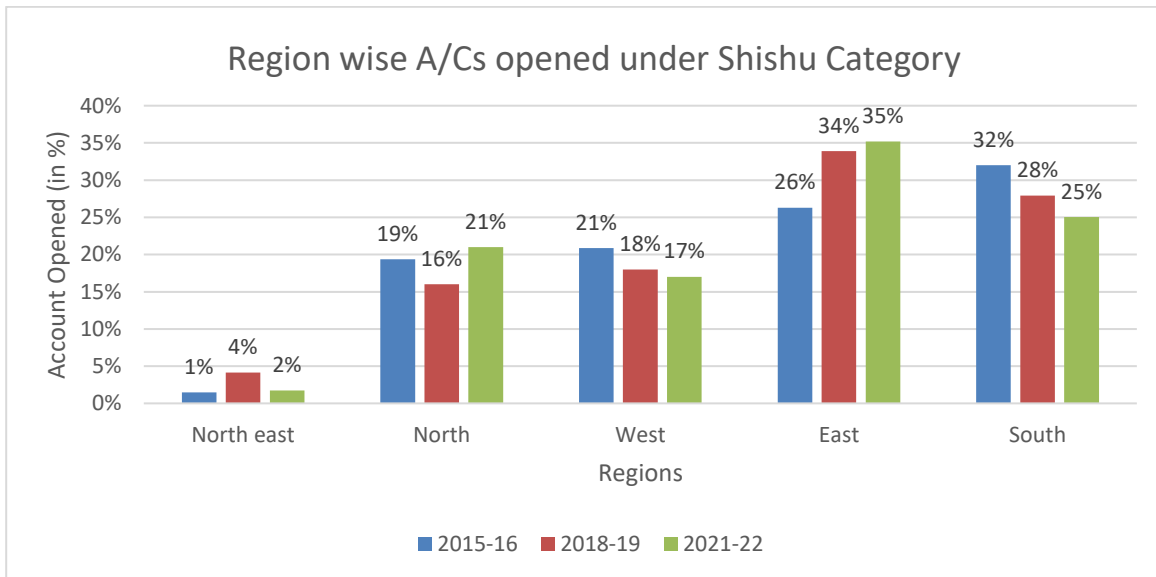
**East:** Odisha, West Bengal, Bihar, Jharkhand, Chhattisgarh;

**South:** Karnataka, Kerala, Puducherry, Tamil Nadu, Telangana, Andhra Pradesh, Andaman & Nicobar, Lakshadweep;

**ACCOUNTS OPENED UNDER MUDRA YOJANA FOR SHISHU CATEGORY**

Regions	Account Opened (in %)			Trend
	2015-16	2018-19	2021-22	
North east	1%	4%	2%	▲
North	19%	16%	21%	▲
West	21%	18%	17%	▼
East	26%	34%	35%	▲
South	32%	28%	25%	▼

Source: Compiled by the researcher, data obtained from [www.mudra.org.in](http://www.mudra.org.in)

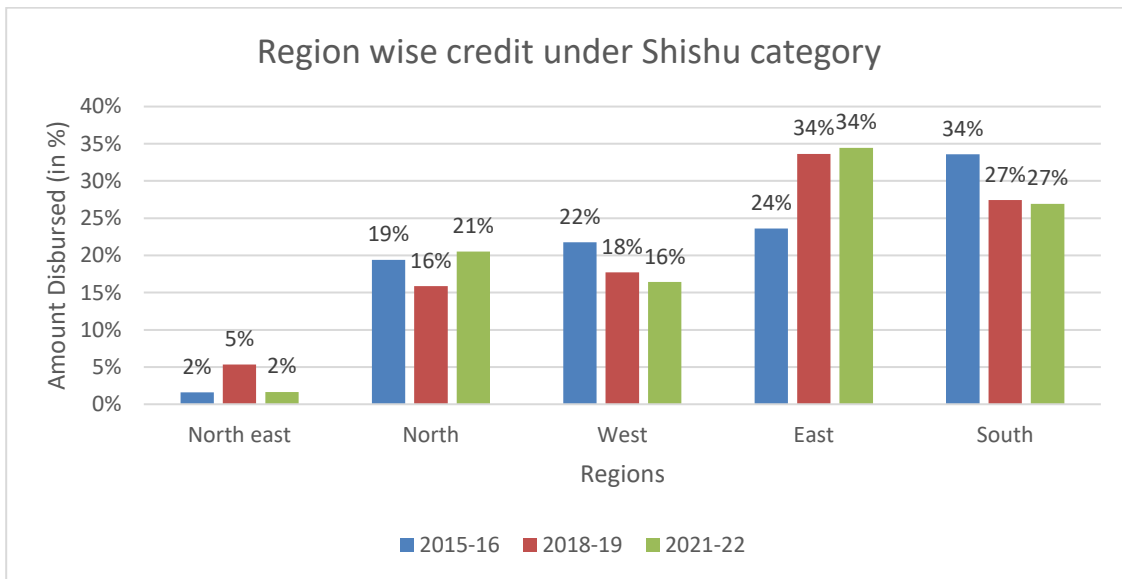


The above table indicates a comparative study of accounts opened between FY 2015-16, 2018-19, and 2021-22 for different regions. It shows a change in the growth of the Northeast, North, West, East, and South regions for the Shishu Category. The number of accounts under the Shishu category has a significant increase in the East region, in the south and west region it has a declining trend whereas, in the North-East region, the growth is marginal.

**AMOUNT DISBURSED UNDER MUDRA YOJANA FOR SHISHU CATEGORY**

Regions	Amount Disbursed (in %)			Trend
	2015-16	2018-19	2021-22	
North east	2%	5%	2%	▲
North	19%	16%	21%	▲
West	22%	18%	16%	▼
East	24%	34%	34%	▲
South	34%	27%	27%	▼

Source: Compiled by researcher, data obtained from [www.mudra.org.in](http://www.mudra.org.in)

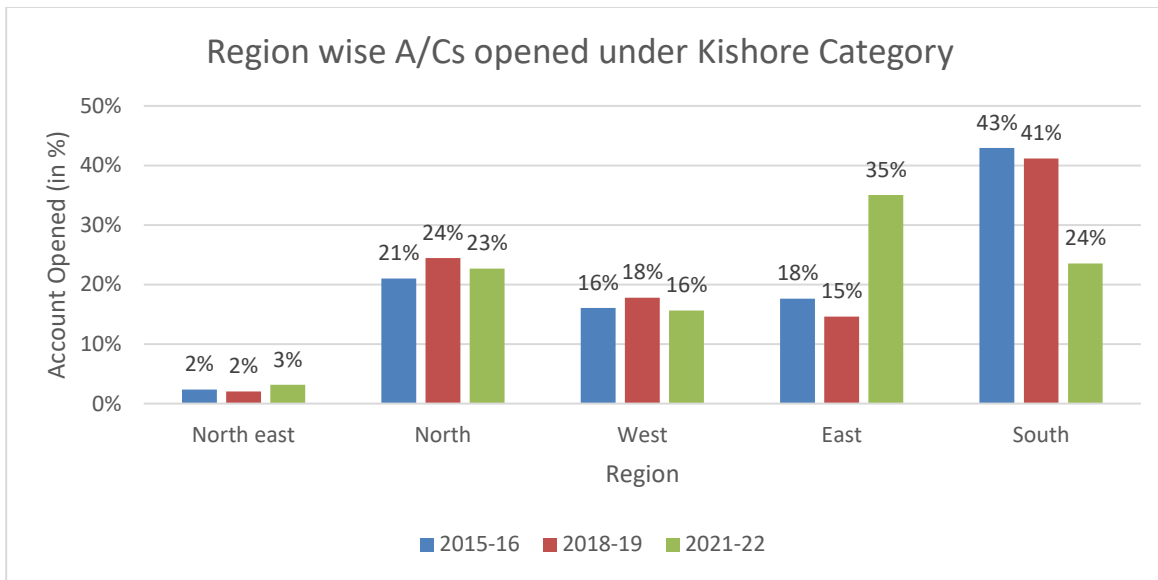


The above table indicates a comparative study of the amount Disbursed between FY 2015-16, 2018-19, and 2021-22 for different regions. It shows a change in the growth of the North-East, North, West, East, and South regions for the Shishu Category. The total amount disbursed under the Shishu category has a significant increase in the East region from 24% in 2015-16 to 34% in 2021-22, in the south, it has decreased from 34% (in 2015-16) to 27% (in 2021-22), the west region also has a declining trend 22% (in 2015-16) to 16% (in 2021-22) whereas, in the North-East regions, the growth is marginal.

**ACCOUNTS OPENED UNDER MUDRA YOJANA FOR KISHORE CATEGORY**

Regions	Account Opened (in %)			Trend
	2015-16	2018-19	2021-22	
North east	2%	2%	3%	▲
North	21%	24%	23%	▲
West	16%	18%	16%	▼
East	18%	15%	35%	▲
South	43%	41%	24%	▼

Source: Compiled by researcher, data obtained from [www.mudra.org.in](http://www.mudra.org.in)

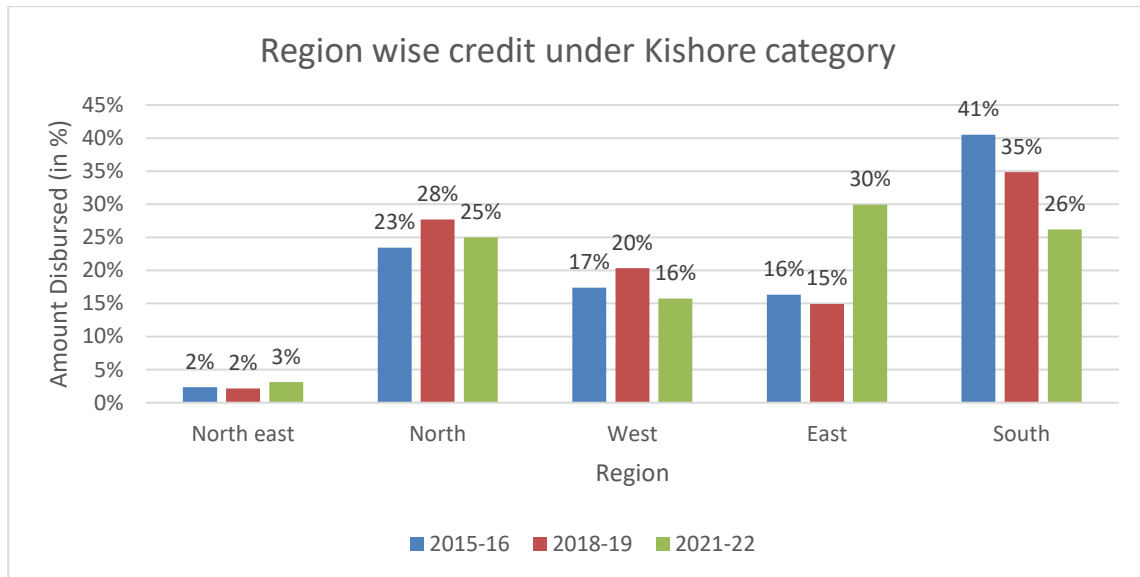


The above table indicates a comparative study of accounts opened between FY 2015-16, 2018-19, and 2021-22 for different regions. It shows a change in the growth of the North-East, North, West, East, and South regions for the Kishore Category. Under this category, the total number of accounts has a tremendous increase in the East region from 18% in 2015-16 to 35% in 2021-22, in the South, it decreased from 43% in 2015-16 to 24% in 2021-22. Whereas in the North-East regions, the growth has increased from 2% in 2015-16 to 3% in 2021-22.

**AMOUNT DISBURSED UNDER MUDRA YOJANA FOR KISHORE CATEGORY**

Regions	Amount Disbursed (in %)			Trend
	2015-16	2018-19	2021-22	
North east	2%	2%	3%	▲
North	23%	28%	25%	▲
West	17%	20%	16%	▼
East	16%	15%	30%	▲
South	41%	35%	26%	▼

Source: Compiled by researcher, data obtained from [www.mudra.org.in](http://www.mudra.org.in)



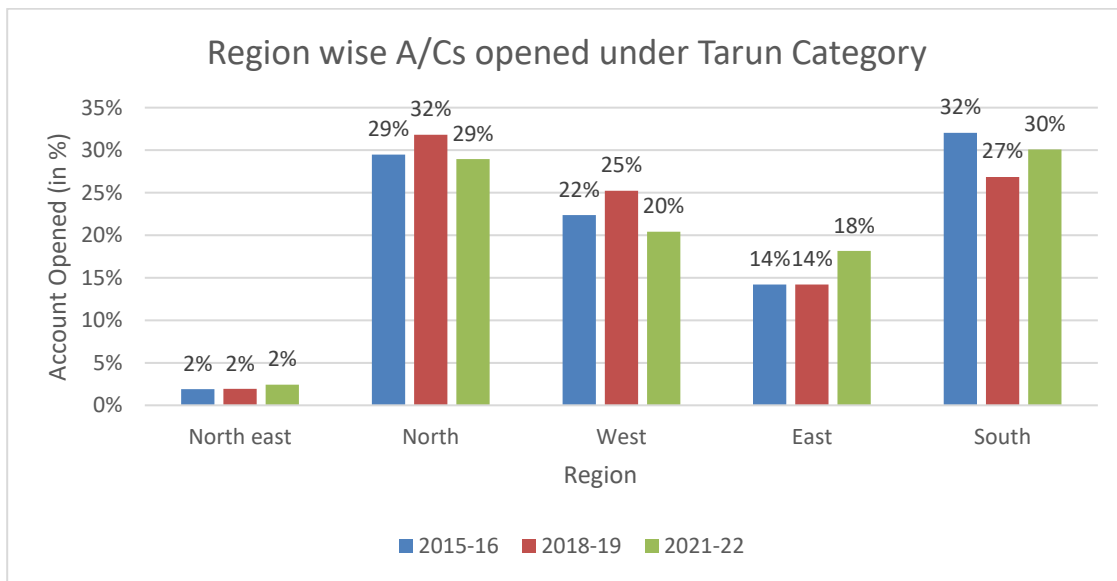
The above table indicates a comparative study of amounts Disbursed between FY 2015-16, 2018-19, and 2021-22 for different regions. It shows a change in the growth of North-East, North, West, East, and South regions for the Kishore Category. It can be seen from the chart and graph that the growth of amount disbursement in the North-East region has increased marginally from 2% in 2015-16 to 3% in 2021-22, amounts disbursed in the East region have been rising whereas in the South it has fallen under Kishore category.



**ACCOUNTS OPENED UNDER MUDRA YOJANA FOR TARUN CATEGORY**

Regions	Account Opened (in %)			Trend
	2015-16	2018-19	2021-22	
North east	2%	2%	2%	▲
North	29%	32%	29%	▼
West	22%	25%	20%	▼
East	14%	14%	18%	▲
South	32%	27%	30%	▼

Source: Compiled by researcher, data obtained from [www.mudra.org.in](http://www.mudra.org.in)

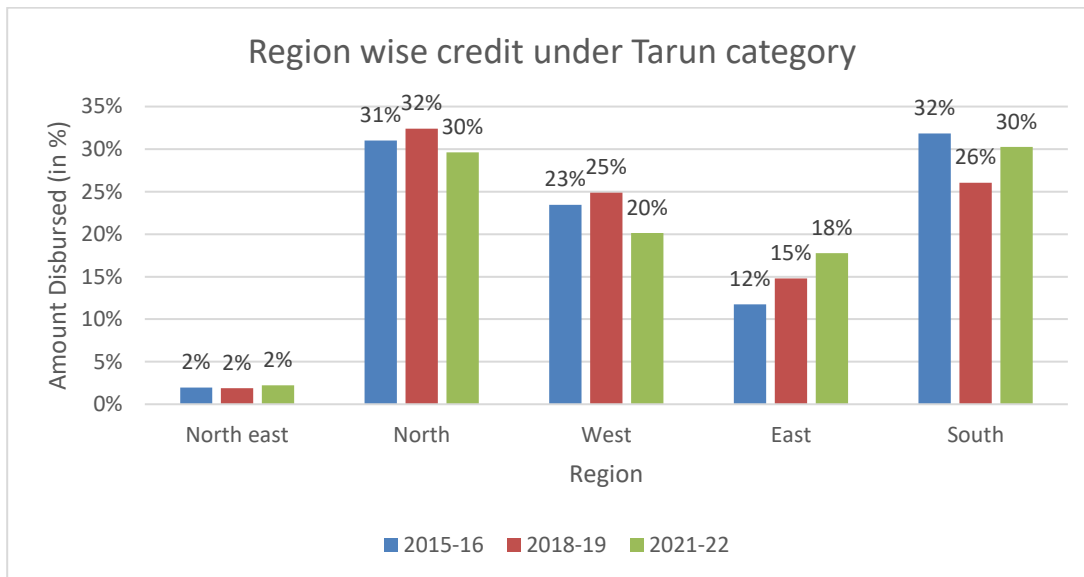


The above table indicates a comparative study of accounts opened between FY 2015-16, 2018-19, and 2021-22 for different regions. It shows a change in the growth of North-East, North, West, East, and South regions for the Tarun Category.

AMOUNT DISBURSED UNDER MUDRA YOJANA FOR TARUN CATEGORY

Regions	Amount Disbursed (in %)			Trend
	2015-16	2018-19	2021-22	
North east	2%	2%	2%	▲
North	31%	32%	30%	▼
West	23%	25%	20%	▼
East	12%	15%	18%	▲
South	32%	26%	30%	▼

Source: Compiled by researcher, data obtained from [www.mudra.org.in](http://www.mudra.org.in)



The above table indicates a comparative study of amounts Disbursed between FY 2015-16, 2018-19, and 2021-22 for different regions. It shows a change in the growth of North-East, North, West, East, and South regions for the Tarun Category.

**Conclusion:** It can be concluded from the above analysis and interpretation that PMMY is a great initiative taken by the GOI. The scheme will help the weaker section, low-income groups, and unfunded population. Financial inclusion through PMMY increases the opportunities for credit requirement and refinance in every part of the country. The region-wise performance of the number of accounts and amount disbursed under the

Shishu, Kishore, and Tarun category divided into five regions based on their geography. This paper fulfills its purpose and shows the performance of all the regions of the country. From the above analysis, we found that there is continuous growth in the performance of the PMMY scheme in the east region of the country whereas the North-East region of the country is continuously stagnant in each of the categories of Mudra.

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