

# Performance Analysis of PMMY

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**Abstract-** In India the greater part of the individuals are relying on little scale organizations as their wellspring of occupation. The majority of the people rely upon disorderly divisions for advances and other credit offices which have high pace of enthusiasm alongside excruciating terms and conditions. At last it will lead these needy individuals to fall in obligations. A tremendous piece of the noncorporate segment works as unregistered endeavours. They don't keep up legitimate Books of Records and are not officially secured under tax assessment regions. In this way, the banks think that it's hard to loan to them. Greater part of this area doesn't access outside wellsprings of fund. Subsequent to recognizing the significance of independent work individuals and private company units, legislature of India propelled the Mudra Bank Plan under Pradhan Mantri Mudra Yojana to give monetary help to MSMEs who give work to an enormous number of individuals focused towards mainstreaming youthful, instructed or talented specialists and business people including ladies business people. This paper is an endeavour to think about the MUDRA Yojana and its key destinations. For dissecting such actualities auxiliary wellsprings of information has been gathered. It isn't particularly right time to assess the PMMY plot which is just in its baby arrange. Be that as it may, an endeavour has been made in this paper to dissect the item contributions and execution so far of the plan.

## I. INTRODUCTION

Pradhan Mantri MUDRA Yojana (PMMY) is a scheme released by the Honourable Prime Minister of India, Mr Narendra Modi on April 8, 2015. The aim of the scheme is to provide loans up to 10 lakh to the micro gadgets that is the non-company, non-farm small firms who have the ability and ability to grow however lack economic aid. Micro-devices encompass all the small groups, groups and start-ups' in India. The Mudra Loan cannot be taken for private requirements, instructional help, non-public vehicle or by way of wealthy businessmen. The most not unusual exam of the micro-devices is that they lack good enough budget to financially guide and grow their enterprise. And consequently, MUDRA or Micro Units Development & Refinance Agency Limited changed into set up through the Government of India to facilitate boom & prosperity in business and refinance activities regarding those micro-segments.

## Review of Literature

Mehar L (2014) has showed that the financial inclusion in India has increased in the last few years with the innovations like mobile banking, ultra-small branches etc,

Verma S. (2015) has explained that the design of MUDRA scheme will not only caters to the financial problems of MSMEs but also give moral support to a lot of young population to become an entrepreneur.

Roy, Anup Kumar (2016) has displayed that he small businesses are the foundation of economic development. A major number of initiatives have been taken in the past few years in the right direction.

R. Rupa (2017) has showed that the MUDRA scheme is very much successful in Tamil Nadu. It is found that the MFIs have contributed substantially to increase the number of accounts financed under the PMMY.

## OBJECTIVES:

- To get the over view of Pradhan Mantri Mudra Yojana (PMMY)
- To analyse the state wise performance of the scheme.

## II. PRADHAN MANTRI MUDRA YOJANA (PMMY) SALIENT FEATURES PMMY

It was announced by the Hon'ble Prime Minister Shri Narendra Modi on 8th April, 2015 alongside the reporting of MUDRA bank. PMMY is another financial inclusion initiative of Government of India which aims not only on funding the unfunded but also aims to increase the funding gap to micro enterprises. It also helps the existing micro units to enhance their activities. Government of India makes guidelines, rules and regulations related to PMMY, for all banks and MFIs. MUDRA is Nonbanking finance institution for supporting the micro enterprises segment in the country . It provides support to the banks and all MFIs for micro enterprises having loan necessity up to 10 lakhs

## III. BENEFICIARIES OF SCHEME

Any Indian Citizen who has a wage producing plan from small scale business exercises in exchanging, assembling and preparing and whose advance prerequisite is under Rs.10 lakh can approach advances under PMMY. Loan rate is regulated by Reserve Bank of India (RBI) time to time. Non corporate Small Business Sector(NCSBS) occupied with benefit division, miniaturized scale fabricating units, natural products and vegetable distributing, support and repairing, handiworks and working nourishment administrations and soon are benefited under the plan.

#### TYPES OF MUDRA LOAN

The advances gave under MUDRA are known as the 'Mudra Credits' which can further be separated into three classifications,

- SHISHU (Kid) Advance – The class spreads advances summing up to Rs.50,000. It is essentially for the new companies that are at their crude stage or the individuals who require less assets to begin their business.
- KISHOR Advance – This is where the advance secured ranges from Rs.50,000 to Rs.5 lakh. It incorporates those undertakings whose business has begun yet it is yet to be set up.
- TARUN Credit – This classification spreads advance extending from Rs.5 lakh to Rs.10 lakh. It incorporates those businesspeople who have begun their business and built up themselves however need monetary help to extend their business, to purchase resources, innovative headways and so on.

#### ELIGIBILITY FOR MUDRA ADVANCE:

The terms and conditions are should be trailed by the borrowers so as to profit advances under MUDRA. The qualification criteria goes as pursues:

- Just the Indian Businesspeople can acquire a Mudra Advance.

- The strategy must be from the non-ranch and non-corporate division with credit necessity of not as much as Rs 10 Lakhs.
- The age of the candidate ought to be 23 years to 28 years at the hour of the advance approval and ought not be over 65 years at the hour of the advance development.
- In the event of the salaried gathering, the base word related security ought to be 2 years and business dependability ought to be in any event 5 years with 3 years' administration soundness for specialists.
- The candidate ought to have month to month salary above INR 17000 or INR 15 lakhs or more as yearly turnover. The base benefit after expense for non-people ought to be INR 1 lakh for each year and for ownership/independently employed, it is INR 2 lakhs.
- Candidates either must have gone through a year in the present habitation or have a 1-year administration association with the bank through which they are applying for the credit.

#### IV. DATAANALYSIS PROGRESS MADE UNDER PMMY:

Government was set to disburse Rs 122189 crore loans to micro businesses under the MUDRA scheme. it has been accomplished by March 2016. For the money related year 2016-2017 government was set focus of 180100crore. Th accomplishments and advancement of PMMY is seen on a week after week premise through a PMMY gateway. Government focuses to sanction Rs 1.23 lakh crore advances to small scale organizations under the MUDRA by March 2016. It is plan of funding the unfunded. So far in the F.Y. 2015-2016, number of loan sanctioned under PMMY is 34880926 that include the sum authorized 137448.27 crores and sum dispensed 132956.73 crores. Initially the table.1 demonstrates the progress under PMMY.

**TABLE 1.STATE WISE PERFORMANCE**

Sr no	State name	Amount in crores							
		shishu		Kishore		tarun		total	
		No Of A/Cs	Disbursement Amt	No Of A/Cs	Disbursement Amt	No Of A/Cs	Disbursement Amt	No Of A/Cs	Disbursement Amt
1	Andaman and Nicobar Islands	15724	64.54	8275	100.65	720	47.59	24719	212.78
2	Andhra Pradesh	612312	1312.12	165306	3151.6	18070	1327.07	795688	5790.79

3	Arunachal Pradesh	3194	8.18	977	27.44	454	36	4625	71.62
4	Assam	390320	759.22	32121	614.57	4831	354.67	427272	1728.46
5	Bihar	231012	4113.7	129001	2227.77	12326	924.44	2451439	7265.91
6	Chandigarh	18082	32.41	3238	74.89	1285	97.22	22605	204.52
7	Chhattisgarh	605051	1178.78	28559	512.08	6101	465.28	639711	2156.14
8	Dadra and Nagar Haveli	815	1.65	254	7.24	167	12.38	1236	21.27
9	Daman and Diu	835	1.16	189	4.54	85	6.32	1109	12.02
10	Delhi	341933	692.9	36077	1002.95	16378	1162.12	394388	2857.97
11	Goa	36247	89.83	7441	155.73	1783	130.48	45471	376.04
12	Gujarat	975320	2171.87	85245	1851.5	25842	1886.65	1086407	5910.02
13	Haryana	693408	1371.96	39525	847.43	12602	933.23	745535	3152.62
14	Himachal Pradesh	59757	103.17	21122	492.6	4685	369.93	85564	965.7
15	Jammu and Kashmir	19057	62.32	34388	738.18	4529	351.65	57974	1152.15
16	Jharkhand	828785	1515.15	36637	780.69	7446	549.82	872868	2845.66
17	Karnataka	4153714	9071.71	264744	4744.94	41151	2652.78	4459609	16469.43
18	Kerala	707492	1414.08	107975	2194.29	14944	1119.01	830411	4727.38
19	Lakshadweep	551	1.04	170	3.06	19	1.25	740	5.35
20	Madhya Pradesh	2406310	4610.76	84343	1653.63	20538	1504.9	2511191	7769.29
21	Maharashtra	3337382	6616.11	154441	3461.97	43242	3294.34	3535065	13372.42
22	Manipur	20943	35.41	2679	58.66	399	25.96	24021	120.03
23	Meghalaya	15451	40.24	3051	74.2	649	47.97	19151	162.41
24	Mizoram	5473	19.44	1993	35.24	306	23.1	7772	77.78
25	Nagaland	3247	10.32	1418	36.75	469	29.47	5134	76.54
26	Odisha	2281495	3753.86	51401	977.75	10365	704.65	2343261	5436.26
27	Pondicherry	74516	145.52	7482	121.58	868	64.81	82866	331.91
28	Punjab	594025	1231.47	43347	994.68	16601	1258.34	653973	3484.49
29	Rajasthan	1068001	2004.32	68468	1504.66	23350	1739.3	1159819	5248.28

30	Sikkim	5491	12.1	1145	24.82	253	17.69	6889	54.61
31	Tamil Nadu	45062 37	8231.68	234824	4282.07	40506	2983.11	4781567	15496.86
32	Telangana	28698 5	588.37	98675	2014.98	15101	1090.99	400761	3694.34
33	Tripura	59298	136.83	7967	141.05	881	59.38	68146	337.26
34	Uttar Pradesh	31490 78	5849.68	160502	3325.18	35802	2706.07	3345382	11880.93
35	Uttarakhand	32680 2	688.99	27554	632.07	5651	424.02	360007	1745.08
36	West Bengal	24876 03	4086.8	118927	2201.84	22018	1451.77	2628548	7740.41
	Total	32401 046	62027.69	206946 1	41073.28	41041 7	29853.76	3488092 4	132954.73

Source: (<http://www.mudra.org.in/>)

From the above table it is observable that the growth rate in the union territories like Andaman and Nicobar Island and Lakshadweep is negative that is declined by 63.1% and 16.2% respectively. Also on the other hand there is a slow growth of the scheme all around the country except two states Assam and Tripura, which shows a tremendous growth of 178% and 188.9% respectively. States like Rajasthan and West Bengal that consist of a large population and still having the growth of 68.2% and 100% respectively. This shows that the scheme is having a great success in these states and people are aware of the scheme benefits.

**Table.2 PMMY PROGRESS(Amounts in crores)**

	Financial year 2016-2017	Financial year 2015-2016
Number of PMMY sanctioned	29953853	348803924
Amount sanctioned	121034	137449
Amount disbursement	116820	132954

Source: (<http://www.mudra.org.in/>)

## FINDINGS OF THE STUDY

- Mudra loans have seen steady increase in sanction of loan to micro enterprises are in India.
- Major portion of loan category belongs to Shishu category.
- It can be seen that the number of loan sanctions and the sanctioned amount has been increasing year on year in Maharashtra state. The percentage increase in the sanction of loans is more than 25.02% and 31% year on year.

- It shows banks are implementing government scheme in a very positive way.
- The participation of the weaker sections (SC/ST/OBCs) of the society in the PMMY programme was at 56%, in terms of loan accounts, and 35% in terms of loan amount sanctioned.
- Also in 2017-18, 40.01% of loan amount sanctioned was the share of women borrowers in total loan amount sanctioned.
- The share of women in the Shishu category is at 75.02%, in terms of number of accounts under Shishu, and it formed 95.79% of the loan accounts of women borrowers.
- It can be seen that Maharashtra is among top three states in all the last three years. It shows the success of Mudra in Maharashtra. Out of total loan sanctioned for all India, 13 to 15.01% is sanctioned for the state of Maharashtra.
- The share of SC, ST and OBC categories were 18.02%, 5% and 32.02%, respectively, in terms of the loan accounts sanctioned. But the major portion of their share belongs to Shishu category.

## V. CONCLUSION

As per the NSSO review of 2013, there are 5.77 crore independent venture units, for the most part singular ownerships, which run little assembling, exchanging or benefits exercises. A considerable lot of these own record undertakings' are claimed by individuals having a place with Planned Station, Booked Clan or Other In reverses Classes. In any case, just 4% of such units get institutional money. Giving access to institutional money to such smaller scale private

company units would transform them into solid instrument of Gross domestic product development and furthermore business.

Mudra plan is planned for "subsidizing the unfunded". The little business visionaries of India are utilized to misuse because of cash loan specialists up until this point, however Mudra will ingrain another trust in them that the nation is prepared to help them in their endeavours that are contributing so intensely to the errand of country building. There is a big change in the area of microfinance. The scheme will help the weaker section, low income group and unfunded population and also will increase the competition. Financial inclusion through pradhan matri mudra yojana increases the opportunities for credit requirement and refinance. The introduction of the national plan mudra loanyojana with other type of financial inclusion initiative, yield a valuable result. It perceives that because of dispatch of this plan, monetary consideration has extended towards positive heading. So it can be say that if it is implemented properly, it may work as a game changes financial inclusion initiative of Government of India and may boost the Indian economy.

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