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## **PERFORMANCE OF PRIME MINISTER MUDRA YOJANA-AN ANALYTICAL STUDY**

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### **ABSTRACT**

The Pradhan Mantri Mudra Yojana (PMMY) was launched on 8th April 2015 by the honourable Prime Minister of India Shri Narendra Modi. PMMY also known as the Mudra loan scheme intends to bridge the funding gap to the micro enterprises and also aims to boost the confidence of the first-generation entrepreneurs and assist existing small borrowers expand their activities. The potential MUDRA borrowers under PMMY are non-corporate small business sector (NCSBS) and Own account Enterprise (OAEs) including proprietorship and partnership firms engaged in small manufacturing units, service sector enterprises, shop keeping, fruits and vegetables vending trucking operating food services, repairing and maintenance, operating machines, running small industries, food processing, handicraft making (artisans) among others in both rural and urban areas. Moreover, from the financial year 2016-17 activities allied to agriculture have also been made eligible under PMMY. PMMY consisted of launching of three loan products pegged at `50,000 called the “ Shishu” loan; loan product of amounts ranging above `50,000 up to `500,000 called “ Kishor” ; and loan product amounts ranging above `500,000 and up to `1 million called “ Tarun” . The instrumentality through which these products would be rolled out were to use the vast network of bank branches as well as co-opt microfinance institutions, cooperatives, and other players who were in the business of financing, thereby expanding the institutional scope of the scheme.

The main objective of the paper is to analyse the progress and performance of PMMY over the years since its inception. The study is analysed based on agency-wise, state-wise, region – wise, category-wise performance under the PMMY. It will also highlight some of the limitations of the scheme.

The study is based on secondary data and mainly drawn from reports of MUDRA Yojana (PMMY report). Other sources like newspapers, journals were also consulted during the course of the study.

**KEYWORDS:** PMMY, MUDRA Yojana, small businesses, Sishu, Kishore, Tarun

## **INTRODUCTION**

Global transformations in the economic and cultural space caused by the digital revolution have led to radical changes in the functioning of the market environment and the behavior of economic entities. Businesses have changed the strategic vectors of competition in the digital environment and continue to adapt their marketing policies to the rapid changes in consumer behavior in the online environment. Successful companies are changing their marketing strategies and tactics in the digital environment, increasingly preferring to use the capabilities of social media platforms [7].

The Pradhan Mantri Mudra Yojana (PMMY) was launched on 8<sup>th</sup> April 2015 by the honourable Prime Minister of India Shri Narendra Modi. PMMY also known as the Mudra loan scheme intends to bridge the funding gap to the micro enterprises and also aims to boost the confidence of the first-generation entrepreneurs and assist existing small borrowers expand their activities. The potential MUDRA borrowers under PMMY are non-corporate small business sector (NCSBS) and Own account Enterprise (OAEs) including proprietorship and partnership firms engaged in small manufacturing units, service sector enterprises, shop keeping, fruits and vegetables vending trucking operating food services, repairing and maintenance, operating machines, running small industries, food processing, handicraft making (artisans) among others in both rural and urban areas. Moreover, from the financial year 2016-17 activities allied to agriculture have also been made eligible under PMMY.

PMMY envisages providing MUDRA Loans to income generating micro-enterprises engaged in manufacturing, trading and services upto Rs 10 lakh. The MUDRA loans are divided into three categories.

- \* Sishu loans upto 50,000
- \* Kishore loans from 50,001 to 5,00,000
- \* Tarun loans from 5,00,001 to 10,00,000

Apart from these the overdraft amount of Rs 5,000 sanctioned under PMJDY (Prime Minister Jan Dhan Yojana) has also been classified as a Mudra Loan.

PMMY loans are extended through partner Member Lending Institutions (MLIs) such as Scheduled Commercial banks, Regional Rural Banks, Small Finance banks, Cooperative Banks, Micro-Finance Institutions, (MFIs) and Non-Banking Finance Companies (NBFCs). The borrower can approach any of the lending institutions mentioned above or can apply online through portal [www.mudramitra.in](http://www.mudramitra.in).

Mudra Card is issued as a debit card on RuPay platform and can be used for withdrawal of funds and also repayment as and when there is surplus. Many partner banks /MFIs disbursed working capital loans by adopting the MUDRA card scheme.

The lending terms of PMMY such as margin, interest rate, security etc. are as per RBI guidelines and

banks are mandated not to collect collateral security in case of loans up to 10 lakhs extended to units in the micro and small enterprise sector (MSE). Banks are required to encourage their branch level functionaries to avail of the credit guarantee scheme cover wherever desirable. In this case a dedicated guarantee fund Credit Guarantee Fund for Micro Units (CGFMU) has been constituted and has started its operations.

PMMY is being implemented from 8<sup>th</sup> April 2015-the day it was launched The Honourable Prime Minister ceremonially launched the programme by handing over loans amounts to a few borrowers. The monitoring of PMMY progress at the state level is done through State Level Bankers Committee (SLBC) forum and at National Level by MUDRA/Department of Financial Services, Government of India. Department of Financial Services (DFS), Government of India has set up ‘ Mission Mudra’ to closely monitor the programme. Periodic video conferencing by DFS officials with banks has helped in timely implementation and monitoring of the programme. Moreover, for effective monitoring, a dedicated portal linked to MUDRA website ( [www.mudra.org.in](http://www.mudra.org.in)) was put in place to capture weekly data on the performance of institutions under PMMY.

The portal captures nationwide state level disaggregated data by category of loans and category of borrowers viz. new entrepreneurs, women entrepreneurs, Scheduled Caste (SC) / Scheduled Tribe (ST), minority and Mudra Card. Banks and Micro Financial Institutions (MFIs) log on to the portal to submit their weekly performance data. This data is then analysed and reported to the Central Government.

While the progress of PMMY is being monitored by MUDRA, NABARD is supporting it by following up with Regional Rural banks (RRBs). Monitoring of Micro Finance institutions (MFIs) progress is being supported by MFIN (Micro Finance Institutions Network) in respect of NBFC-MFIs – a segment that played a major role in dispensing micro loans and Sa-Dhan with regard to non-NBFC-MFI.

In order to boost the lending under PMMY especially for Sishu loans – MUDRA carried out a month-long publicity campaign on behalf of the government through print media and radio from September 1, 2015 to October 2, 2015. This culminated in mega credit camps in different locations in the country in the last week of the campaign. This credit campaign resulted in lending to 22.50 lakh borrowers with aggregate lending of 4,120 crore.

### ***Review of Literature***

Mahammad Shahid and Mahammad Irshad( 2016) in their study found that growth of MSMEs will contribute to the development of ‘ Make in India’ initiative. Launching bank like MUDRA will

hugely benefit the small manufacturing units and self-employed individuals in rural and urban areas. PMMY scheme will contribute to the well-being of the individuals engaged in small scale industries which will positively affect the progress of the economy as a whole. MUDRA creates a vision of formalizing the informal and thereby funding the unfunded. Its role as an apex refiner, providing low-cost finance is likely to be its USP, thereby hoping to fill a yawning gap in India's microfinance space. These measures will greatly increase the confidence of our young educated and skilled workers who are able to become the first generation enterprises, and existing small businesses will be able to expand their activities.

**Dr. P. Chellasamy & Mr. R. Selvakumar (2018)** in their study found that Pradhan Mantri Mudra Yojana is a great initiative taken by the Government of India. The 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 requirement and refinance. So, if it can be implemented properly, it may work as a game changing financial inclusion initiative of Government of India and may boost the Indian economy.

**Aravindaraj K and Jai Ganesh Bala (2018)** in their study found that PMMY leads to creation of self-employment among youths. But still small-scale entrepreneurs are not aware about PMMY loans. So, we need to create awareness among youths via social media. Once, the mass media take up an initiative to popularize the PMMY loans and people will know about this program many people will take up this loan. In a country like India, it is very difficult to create jobs for both educated and uneducated people. So, this PMMY will play an important role to create entrepreneurs.

**Dr. Ajeet Kumar Sahoo and Poonam Rani (2019)** in their study found that Pradhan Mantri MUDRA Yojana (PMMY) has provided a life changing services to large number of small, marginal and especially women entrepreneurs in Haryana. These beneficiaries were strengthened and supported by extending credit funds under different MUDRA loans to establish or modify their micro business. They also found that private banks provide more loans under Shishu category when compared other categories of MUDRALoans - Kishore and Tarun. This is because the loan amount under Kishore and Tarun categories are higher; and therefore, riskier to private sector banks. Thus, all the three categories of MUDRA funding institutions- public sector banks, private banks and regional rural banks, to a certain degree, are not working in synchronized way in Haryana. Unless these core funding institutions work as extended hands to each other for PMMY, the ultimate objectives of creation of entrepreneurial culture and social justice through this ambitious scheme would remain unrealized. Moreover, the study also found high level of disparity in terms of PMMY loans prevailing amongst the districts in Haryana.

**Vijay Kumar( 2020)** in his study found that though it is too early to comment on the MUDRA Yojana in terms of success or failure but there is no doubt that it has created a positive impact. This scheme would definitely add to the uplifting of the living standards of individuals involved in small businesses which in turn will fuel economic progress. However, to ensure the success of this programme in long-run, it is required that more focus shall be given on the less privileged areas such as north-east and also more emphasis should be given to the provision of these services to the scheduled caste and scheduled tribes.

### **Objective of the study**

The main aim objective of the study is to analyse the progress and performance of PMMY over the years since its inception. The study is analysed based on agency-wise, state-wise, region – wise, category-wise performance under the PMMY. It will also highlight some of the limitations of the scheme.

### **METHODOLOGY**

The study is based on secondary data and mainly drawn from reports of MUDRA yojana (PMMY report). Other sources like newspapers, journals were also consulted during the course of the study.

### **PMMY: An Analysis**

PMMY since its inception in the year 2015 has shown remarkable progress over the years. Its performance can be seen from its various tables and analysis below

**Table 1 PMMY loan sanctioned and disbursed from 2015-16 to 2019-20**

Year	Number of PMMY loan sanctioned	Amount sanctioned	Amount disbursed
2015-16	34880924	137449.27	132954.73
2016-17	39701047	180528.54	175312.13
2017-18	48130593	253677.1	246437.4
2018-19	59870318	321722.79	311811.38
2019-20	62247606	337495	329.715

**Source: Annual Reports of Prime Minister Mudra Yojana**

From the Table 1 it is shown that in the year 2015-16 the number of PMMY loan sanctioned was 34880924 which increased in the subsequent year to 39701047 in 2016-17 It increased to 48130593 in the year 2017-18. It again increased to 59870318 in 2018-19 and finally increased to 62247606 in

the year 019-20. This shows that there is continuous increase over the years since its inception of the PMMY Yojana. The amount sanctioned increased from 137449.27 in 2015-16 to 253677.1 in 2017-18 and it eventually increased to 337495 in 2019-20. The disbursement also shows similar trend and it increased from 132954.73 in 2015-16 to 246437.4 in 2017-18 and 329.715 in the year 2019-20

**Table 2 Agency wise performance Loans sanctioned by different categories of banks**

Agency	Sanction 2015-16	Sanction 2016-17	Sanction 2017-18	Sanction 2018-19	Sanction 2019-20
Public Sector Banks	59,674.28 (43.41%)	71,953.67 (39.85%)	92,492.68 (36.46%)	99,234.96 (30.84%)	1,17,729* (34.88)
Private Sector banks	20,445.74 (14.87%)	39,042.60 (21.63%)	49,545.11 (19.53%)	64,037.25 (19.90%)	91,780 (27.19)
RRBs	11,324.47 ( 8.23%)	12,009.52 ( 6.65%)	15,454.51 (6.60%)	18,046.89 (5.61%)	----
SFBs / MFIs	46,004.78 (33.47%)	55,657.01 (30.83%)	69166.64 ( 27.26%)	93265.34 ( 28.99%)	87468 (25.91)
NBFCs	*	1,865.74 ( 1.03% )	27,018.16 ( 10.65%)	47,136.75 ( 14.65%)	40,518 (12.00)
Total	1,37,449.27	1,80,528.54	2,53,677.10	3,21,722.79	3,37,495

\* includes RRBs

Source: Annual Reports of Prime Minister Mudra Yojana

### Agency wise performance

In the Table- 2 loans sanctioned by different categories of banks from 2015-16 to 2019-20 are shown. It is found that under MUDRA Yojana the Public Sector banks sanctioned maximum amount of loans (43.41%) followed by SFBs/ MFIs at (33.47%) and Private Sector banks (14.87%) in the year 2015-16. Regional Rural Banks (RRBs) contributed only 8.23%. In the year 2016-17 Public Sector Banks sanctioned (39.85%), SFBs/MFIs (30.83%), Private Sector banks (21.63%) and RRBs (6.65%). NBFCs contributed only (1.03%). Again, in the year 2017-18 the composition of loans provided by the different categories of banks were Public Sector Banks (36.46%), SFBs/MFIs (27.26%), Private Sector banks (19.53%) and RRBs (6.60 %), NBFCs contribution increased to (10.65%). The contribution of Public Sector Banks and SFBs/MFIs continuously declined over the years since the inception of the PMMY whereas the contribution of Private Sector also declined. Further in the year 2018-19 it is seen that Public Sector Banks contributed (30.84%) whereas SFBs/MFIs (28.99%). The contribution of the Private Sector Banks significantly decreased to only 19.90%. On the other hand,



the RRBs contribution increased and it sanctioned (5.61%) of loans under MUDRA Yojana. NBFCs share of loans increased up to (14.65%). Finally in the year 2019-20, the share of the Public Sector Banks is 34.88% but it includes the share of Regional Rural Banks and Private Sector banks share increased significantly to 27.19% this year but the share of MFIs/SFBs and NBFCs decreased to 25.91% and 12% respectively.

**Table 3 Performance of top 10 states (Achievements / Sanctions) (in Rs Crore)**

	Name	2015-16	2016-17	2017-18	2018-19	2019-20
1	Tamil Nadu	15,846 ( 11.92 % )	18,052.68 ( 9.99% )	25,331.68 ( 9.98 % )	34,260.15 ( 10.64 % )	35,017 (10.37%)
2	Karnataka	16,861 (12.68 % )	18,002.55 ( 9.97 % )	23,009.73 ( 9.07 % )	29,995.35 ( 9.32 % )	30,188 (8.94%)
3	Maharashtra	13,806 ( 10.38 % )	17,286.66 ( 9.57 % )	22,751.40 ( 8.97 % )	26,439 ( 8.22%)	27,903 (8.27%)
4	West Bengal	12,276 ( 9.23% )	15,695.01 ( 8.69 % )	22,077.89 ( 8.70 % )	26,462 ( 8.22%)	26,790 (7.94 % )
5	Uttar Pradesh	7,554 ( 5.68 % )	15,282.61 ( 8.46 % )	20,552.19 ( 8.10 % )	26,190.58 ( 8.14 % )	30,949 (9.17%)
6	Bihar	8,097 ( 6.09% )	12,190.6 ( 6.75 % )	15,919.40 ( 6.27 % )	24,405.99 ( 7.59 % )	27,442 (8.13%)
7	Madhya Pradesh	5,485 ( 4.13 % )	10,506.45 ( 5.82 % )	14,886.15 ( 5.87 % )	17,407.92 ( 5.41 % )	19,060 (5.65%)
8	Rajasthan	5,695 ( 4.28% )	9,024.71 ( 4.999 % )	13,862.55 ( 5.46 % )	17,506.39 ( 5.44 % )	19,662 (5.82%)
9	Odisha	5,695 ( 4.28%)	7,891.34 ( 4.37 % )	11,386.52 ( 4.49 % )	15,770.28 ( 4.90 % )	15,419 (4.57%)
10	Gujarat	6,035 ( 4.54 % )	7,781.94 ( 4.31 % )	11,558.91 ( 4.56 % )	13,216.78 ( 4.11 % )	13,746 (4.07%)
	All India disbursemnt amount	132954.73	180528.54	253677.1	321722	337495

**Source: Annual Reports of Prime Minister Mudra Yojana**

**Analysis of Performance of top 10 states (Achievements / Sanctions) (in Rs Crore)**

From the Table-3 it is seen that Karnataka sanctioned maximum amount of loans (12.68%) in the year

2015-16 followed by Tamil Nadu (11.92%) and Maharashtra at (10.38%), West Bengal (9.23%), Bihar (6.03%), Uttar Pradesh (5.68%), Gujarat accounted for (4.54%), Odisha and Rajasthan (4.28%) and 4.28%) respectively. Madhya Pradesh is lowest among the top 10 states in terms of sanction at (4.13 %).

In the year 2016-17, Tamil Nadu sanctioned maximum amount of loans (9.999 %) followed by Karnataka (9.97%) and Maharashtra (9.57%), West Bengal (8.69%), Uttar Pradesh (8.46%). The state of Bihar has sanctioned (6.75%), Madhya Pradesh (5.82%), Rajasthan (4.999%), Odisha (4.37%). The lowest is the state of Gujarat (4.31%).

During the year 2017-18, again Tamil Nadu sanctioned (9.98%) of loans which is maximum among the top 10 states. Karnataka is second at (9.07%) followed by the states of Maharashtra (8.97%), West Bengal (8.79%), Uttar Pradesh (8.10%) and Bihar (6.27%). The states of Madhya Pradesh accounted for (5.87%) and Rajasthan (5.46%), Gujarat (4.56%). The lowest is the state of Odisha (4.49%).

Further in the year 2018-19, Tamil Nadu occupied the top position again with sanction of 10.64% of loans followed by Karnataka (9.32%). The states of Maharashtra and West Bengal contributed 8.22% and 8.22% respectively. Uttar Pradesh accounted for 8.14% of the total loans and the states of Bihar (7.59%) Rajasthan (5.44%), Madhya Pradesh (5.41%), Odisha (4.90%) and Gujarat is the lowest in terms of sanctions of loans among these states at 4.11%. Again, in the year 2019-20, the share of Tamil Nadu (10.37%) declined whereas Uttar Pradesh (9.17%) share increased. But the share of Karnataka (8.94%), West Bengal (7.94%) and Maharashtra (8.27%) declined. On the other hand, the shares of Bihar (8.13%), Madhya Pradesh (5.65%) and Rajasthan (5.82%) increased. Odisha (4.57%) and Gujarat (4.07%) shows declining share of loans sanctioned.

All the top 10 states which sanctioned loans under PMMY shows more or less an even trend over the years in terms of loans sanctioned with no significant variation since the inception of the PMMY.

**Table 4 Region Wise – Analysis**

**( Rs Crore )**

Region	Amount Sanctioned 2015-16	Amount Sanctioned 2016-17	Amount Sanctioned 2017-18	Amount Sanctioned 2018-19	Amount Sanctioned 2019-20
North	22549.45 (25.90%)	41,884.86 (23.20 %)	60,535.36 (23.86%)	74,437.45 (23.13%)	82,045 (24.31%)
East*	15082.74 (17.33%)	43,115.35 (23.88 %)	48,744.33 (19.22%)	79,580.84 (24.73%)	84,574 (25.06%)
North	Nil	6,650.34	18,553.8	13,144.77	10,824



East		(3.68 %)	(7.31%)	( 4.08%)	( 3.21%)
South	31484.23 (36.17%)	52,876.65 ( 29.30 %)	76,259.92 ( 30.06%)	96,930.34 ( 30.13%)	98,767 (29.26%)
West	17933.89 (20.60%)	36,001.35 ( 19.94%)	49,583.68 ( 19.55%)	57,629.39 ( 17.92%)	61,285 (18.16%)
Total	87050.31 (100 %)	1,80,528.54 (100%)	2,53,677.1 (100%)	3,21,722.79 ( 100%)	3,37,495 (100 %)

\* East includes NE states

### Source: Annual Reports of Prime Minister Mudra Yojana

#### Region wise Analysis

From the Table-4 in terms of region-wise analysis in the year 2015-16, South India accounted for 36.17 % of loans which is highest followed by North India at 25.90%. West India has 20.60% of loans, East (includes North East) accounted for only 17.33% of total loans.

Again, in the 2016-17, South India share was 29.29% and North India (23.20%), East (23.88%), and West India (19.94%) and North East India (3.68%). This shows that the share of the East India has increased and North East has also increased its share of loans under PMMY. But the share of South India decreased from 36.17% to 29.30%.and West India also decreased from 20.60% to 19.94%.

In the 2017-18, the share of the South India increased to 30.06%. The second position is occupied by North India at 23.86%. Both East India and West India had a share of 19.22% and 19.55% respectively. The share of North East increased upto 7.31%. This is a positive impact of PMMY in the backward region of India. Finally in the year 2018-19, the loans under PMMY increased in South India upto 30.13% from 30.06%. This is a marginal increase over the previous year. East India share has gone up positively upto 24.73%. but West India share went down to 17.92%. North India shares marginally decreased to 23.13% But there is a decrease in the case of North East India and it declined up to 4.08%. Again, in the year 2019-20, the share of North India (24.31%) and East India (25.06%) increased but the share of South India and North East India decreased to 29.26% and 3.21 % respectively. The share of south India decreased but it still is far ahead than all other region whereas there is significant fall in the case of North East India. This can also be seen as lack of entrepreneurship culture in the North East India as already the share is very less as compared to other region of the country.

**Table 5 Category-Wise Loans of PMMY Scheme (Rs Crore)**

Category	Loan sanctioned 2015-16	Loan sanctioned 2016-17	Loan sanctioned 2017-18	Loan sanctioned 2018-19	Loan Sanctioned 2019-20
Sishu	62,894.96 ( 45.76 %)	85,100.74 ( 47.14%)	1,06,001.6 ( 41.79%)	1,42,345.25 ( 44.24%)	1,63,559 (48.46%)
Kishor	43,052.55 (31.32%)	53,545.14 ( 29.66%)	86,732.15 ( 34.19%)	1,04,386.68 ( 32.45%)	95,578 (28.32%)
Tarun	31,501.76 ( 22.92%)	41,882.66 ( 23.20%)	60,943.36 ( 24.02%)	74,990.86 ( 23.31%)	78,358 (23.22%)
Total	1,37,449.27 ( 100 %)	1,80,528.54 ( 100%)	2,53,677.1 ( 100)	3,21,722.79 ( 100%)	3,37,495 (100%)

**Source: Annual Reports of Prime Minister Mudra Yojana**

### Category-Wise Loans

It is seen from Table-5 that in case of category wise loans under Sishu, Kishor and Tarun 45.76% of loans were given under Sishu in the year 2015-16 followed by Kishors (31.32%) and Tarun (22.92%). In the year 2016-17 the share of the Sishu increased upto 47.14%. but the share of the Kishor declined to 29.66%. In the case of Tarun its share increased to 23.20%. Again, in the year 2017-18, there was a sharp decline in the share of Sishu loans and it was 41.79% only. On the other hand, the share of Kishor increased significantly and it went upto 34.19%, Tarun increased marginally upto 24.02%.

Further in the year 2018-19, the share of Sishu loans again increased upto 44.24% while the Kishor category loans decreased to 32.45%. Moreover, the Tarun loans also decreased slightly up to 23.31%. Again, in the year 2019-20, in case of Sishu loans it continuously increased and it was 48.46%. But the share of Kishor fell to 28.32% whereas in the case of Tarun there is again a marginal fall and it declined to 23.22%.

**Table 6 Assistance to less privileged sections**

**Sub Categories of Borrowers (Rs Crore)**

Category	Amount Sanctioned 2015-16	Amount Sanctioned 2016-17	Amount Sanctioned 2017-18	Amount Sanctioned 2018-19	Amount Sanctioned 2019-20
General	87211.75 (63.45 %)	1,12,585.16 (62.36 %)	1,67,625.09 (66.08 %)	2,20,129.14 (68% )	223611 (66.26%)
SC	14975.07 (10.89 %)	18,897.83 (10.47 %)	24,378.41 (9.61%)	29,957.36 (9 % )	34662 (10.27%)

<b>ST</b>	4878.23 (3.55 %)	5,272.74 (2.92 %)	8,000.41 (3.15 %)	11,053.54 (3% )	13794 (4.09%)
<b>OBC</b>	30384.22 (22.10 %)	43,772.82 (24.25 %)	53,673.18 (21.15 %)	60,582.74 (19% )	65428 (19.38 %)
<b>TOTAL</b>	137449.27	1,80,528.55	2,53,677.1	3,21,722.79	337495
<b>Out of the Above</b>					
<b>Women</b>	82183.55 (59.79 %)	80,289.68 (44.48 %)	1,03,254.12 (40.70 %)	1,33,033.06 (41 % )	145181.87 (43.02%)
<b>Minority</b>	14017.99 (10.20 %)	20,276.07 (11.23 %)	24,091 (9.50 %)	30,123.77 (9% )	30923.15 (9.16%)
<b>New Loan Accounts</b>	61649.95 (44.85 %)	72,960.14 (40.41%)	97,448.7 (38.41%)	1,06,033.06 (33% )	99262.98 (29.41%)

#### Source: Annual Reports of Prime Minister Mudra Yojana

From the Table-6 In the case under various categories of borrowers in the year 2015-16, 63.45% were from General Category followed by Other Backward Category (OBC) which was 22.10%. Scheduled Caste (SC) and Scheduled Tribe (ST) received 10.99% and 3.55% of loans respectively. Out of all the above category of people 59.79% of Women received loans and 10.20% from the Minority Community were provided loans. 44.855 New Loan accounts were opened in the year.

Again, in the 2016-17, 62.36% General category people received loans. The share of the OBC increased to 24.25%. The loans under Scheduled Caste (SC) and Scheduled Tribe (ST) declined to 10.47% and 2.92% respectively. Out of the above category of loanee the loans provided to Women declined to 44.48% but the share of Minority increased to 11.23%. New Loan accounts in the year declined to 40.41%.

Moreover, in the year 2017-18, the share of General category loans increased to 66.08% but there is a decline in the OBC category loans up to 21.15%. The share of Scheduled Caste (SC) also declined to 9.61% but the share of Scheduled Tribe (ST) increased to 3.15%. In the case of Women borrowers, the share again declined and it reduced to 40.70%. Minority's share also fell up to only 9.50%. The New loan accounts declined to 38.41%.

Further in the year 2018-19, General category Loans increased to 68.42% but the share of OBC declined to 18.83%. Scheduled Caste (SC) share in the total loans also marginally fell to 9.31%. On the other hand, Scheduled Tribe (ST) share increased to 3.43%. Of all the above category of people

Women's share slightly increased to 41.35% but the share of Minority Community marginally declined to 9.36%. New Loan accounts also reduced significantly and it was only 32.96% at the end of the year.

Again, in the year 2019-20, the assistance to General category borrowers declined to 66.26% whereas the assistance to OBC category of borrowers increased to 19.33 %. In the case of SC and ST borrowers also there is increase in assistance and it increased to 10.27% and 4.09% respectively. Out of the above category of borrowers the percentage share of women increased to 43.02% whereas the minority category borrowers marginally increased to 9.16. But the new loan accounts sharply decreased to 29.41%.

### **Findings**

1. It is found under PMMY scheme that Public Sector Banks sanctioned maximum amount of loans over the years since its inception followed by Small Finance Banks. The share of Private sector Banks continuously decreased with the exception of the last year while the share of the Regional Rural Banks (RRBs) showing increasing trend. NBFCs share has also increased but it decreased in the last financial year.
2. Among the top ten states Tamil Nadu, Karnataka, Maharashtra and West Bengal achievements are better as compared to other states. This shows the government seriousness in implementation of the PMMY scheme in these states. Also, the entrepreneurs are taking benefits of the MUDRA loans under PMMY.
3. Region-wise analysis shows that south India performed best followed by north India and East India. West India shows a declining trend over the years. This is a concern because there is high concentration of industries in west India. North East performance is not good as it shows lack of entrepreneurship culture in the north east India Moreover very few industries are located in north east India.
4. General Category entrepreneurs received the maximum amount of loans followed by Other Backward Class (OBC), Scheduled Caste (SC) and Scheduled Tribe (ST). Out of these the share of the women is about 40%. About 10% of the Minority entrepreneurs received loans under PMMY.

### **CONCLUSION AND RECOMMENDATIONS**

PMMY scheme is a very good one for creating self-employment and it helps in the growth of entrepreneurship in the country. There is considerable progress of PMMY scheme since its inception and the performance of the scheme in such a short period of time is commendable. It has definitely created an impact in the country's development of young first-generation entrepreneurs. But still as reported by the banks and other lending institutions as on 30-06-2017 about 39.12 lakh loan accounts had turned Non-performing Assets (NPAs). Again, out of PMMY loans amounting to Rs 8,93,000

crore sanctioned by Member Lending Institutions (MLIs) upto 31-03-2019 loans amounting to approximately 2% i.e Rs 17651.74 (provisional) have turned into Non-performing Assets (NPAs). The reasons for NPAs are first time borrowers who uses the loans for various emergent needs, business failure, willful default by borrowers etc. This is a biggest challenge which the government must address under this PMMY scheme. Government must make efforts to convince the private sector banks to increase its share of loans and provide minimum amount of loans to entrepreneurs under PMMY. The share of the scheduled caste, scheduled tribe, women and minority entrepreneurs also need to be increased for inclusive growth of the society.

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