

# Growth of Pradhan Mantri Mudra Yojna (Pmmy) in Haryana State



Rupesh Roshan Singh, Anita Bindal

**Abstract:** *Small scale businesses are the source of livelihood for people in India. People depend upon organised as well as unorganised sector for their loan, but most of the businesses depend upon unorganised sector loan. The unorganised sector loan is very unplanned and creating problem for poor people to fall in debts. For developing countries like India the unorganised sector plays a important role for developing businesses. In 2015 government of India launched Pradhan Mantri Mudra Yojna known as Mudra for developing micro and small enterprises. Pradhan Mantri Mudra Yojna is providing financial support and important schemes of financial inclusion. Under this inclusive scheme, one can take loan upto Rs.10 lakh to in initiate their business. This paper highlights on the development of Mudra yojna in Haryana state for developing small and medium enterprises also focuses on product offered by banks to enterprises for developing weaker sections of the society especially priority sector.*

**Keywords :** Pradhan Mantri Mudra Yojna ,MUDRA Bank, Micro Small and Medium Enterprises , Gross Domestic Product Self Help Group Micro Unit Development and Refinance Agency Micro Finance institution .

## I. INTRODUCTION

Small scale businesses are the key factors behind development of any nation and key drivers for creating employment in India. In India small and medium industries provide employment of more than 460 million people in the country, of which more than 262 million people are self-employed. The contribution of small and medium enterprises is around 8% to national Gross domestic product. The small and medium businesses are largely unorganized but employ a large number of sizeable labour forces (ASSOCHAM INDIA, SMERA Ratings Limited, 2015). Small and medium businesses are not in a position to play their role effectively due to heavy financial and other regulatory constraints. The non performing assets faced by the Indian commercial banking sectors as well as non organised finance problem are one of the biggest problems for this sector. The problem regarding regulatory issues and proper availability of credit facilities of small businesses creating disequilibrium in the economy. The small scale industries need proper facilities by the government to improve their productivity. The large and medium scale businesses need the handicraft and small scale businesses to complete the production cycle as well as to fulfil the need of economy society.

To overcome these constraints Government of India (GOI) has been introduced a number of financial inclusion initiatives such as), Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Surakhsha Beema Yojana (PMSBY), Pradhan Mantri Jeewan Jyoti Beema Yojana (PMJJBY) and Atal Pension Yojana (APY), Pradhan Mantri Mudra Yojana (PMMY etc., for the weaker section, low income groups, small business man and micro enterprises. For developing the micro and small business units the government of India launched a financial inclusion scheme on 8th April 2015 called Micro Unit Development and Refinance Agency, or MUDRA. The guidelines of MUDRA scheme is issued by Department of Financial Services (DFS), Government of India indicated that all banks are required to give the loan to small and micro enterprises engaged in trading and manufacturing, processing, , service sector activities, for a loan upto Rs. 10 lakh and further the MUDRA loan is divided under different categories . Loan upto ` 50,000 under Shishu; ` 50,000 to ` 5 lakh under Kishor; and ` 5 lakh to ` 10 lakh under Tarun.

## II. OBJECTIVES OF THE STUDY

1. To study the overview Pradhan Mantri Mudra Yojana
2. To define various the various Mudra Product under PMMY
3. To evaluate the performance of loan sanction under different mudra product to small business units in Haryana year wise

## III. RESEACH METHODOLOGY

The data is collected from the secondary sources like, magazines, newspapers various websites of government of India including website of Pradhan Mantri Mudra Yojna state wise performances for presentation in tables & its analysis.

### REVIEW OF LITERATURE

Some relevant research studies focus on empirical analysis on their specific areas:

Dish Bhanot, Varadraj Bap and Sasadhar Bera (2012) have concluded study on financial inclusion, as per their study the level of financial inclusion in north-east India remains very low. The factors behind financial inclusion are income, financial information education. Nearness to post office increases the likelihood of inclusion.

Gupta (2015) according to research done by gupta, MUDRA yojna is a major step towards developing entrepreneurship and to create employment and this yojna acceleration the economy of the nation.

Verma S. (2015) according to his research the loan given by commercial bank as MUDRA will not only cater to the financial problems of medium and small scale industries but also give indirect support to poor and weaker.

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Mohapatra (2016) has done a study on role of MUDRA bank in financing Non-Corporate Small Business Sectors. This study describes MUDRA as an apex agency that regulates financial intermediaries namely MFIs & NBFCs to finance people at the bottom of the pyramid by offering adequate credit at affordable rates. The paper has recognized the distinct effort of MUDRA bank is rekindling entrepreneurship by providing easy and timely credit to the budding entrepreneurs and enhancing the last mile financiers who are financing small businesses for non-farm income activities. The author concludes that creation of MUDRA scheme is a welcome step in addressing the need of the marginalized sections of population in the country.

### PERFORMANCE OF MUDRA LOAN IN HARYANA STATE

As per the Report, in 2019-20 the Total number of sanction is estimated 206567 which is lesser than total number of sanction of 2018-19. It has recorded 1081972 total sanction in 2018-19, the Total number of sanction is 1081972 which is higher than total number of sanction of 2017-18. It has recorded 786328 total sanctions. It is also found that disbursement of Shishu loan is higher than Kishor and Tarun. In 2015-16 under Shishu Category 693408 were sanctioned and for Kishor and Tarun 39525 and 39525 respectively.

2015-16	Type (Loan Range)	No Of Sanctions	Sanctioned Amt	Disbursement Amt
	Shishu (up to Rs. 50K)	693408	1397.52	1371.96
	Kishor (from Rs. 50,001 to Rs. 5.00 Lakh)	39525	885.40	847.43
	Tarun (Rs. 5.00 Lakh to Rs. 10.00 Lakh)	12602	976.35	933.23
	<b>Total</b>	<b>745535</b>	<b>3259.27</b>	<b>3152.62</b>
2016-17	Type	No Of Sanctions	Sanctioned Amt	Disbursement Amt

	Shishu (up to Rs. 50,000)	652844	1499.67	1460.35
	Kishor (from Rs. 50,001 to Rs. 5.00 Lakh)	47513	1050.82	992.33
	Tarun (Rs. 5.00 Lakh to Rs. 10.00 Lakh)	16265	1293.04	1244.91
	<b>Total</b>	<b>716622</b>	<b>3843.53</b>	<b>3697.59</b>
2017-18	Type (Loan Range)	No Of Sanctions	Sanctioned Amt	Disbursement Amt
	Shishu (up to Rs. 50,000)	660709	1791.08	1757.46
	Kishor (from Rs. 50,001 to Rs. 5.00 Lakh)	98920	2118.54	2023.27
	Tarun (Rs. 5.00 Lakh to Rs. 10.00 Lakh)	26699	20.78	1964.31
	<b>Total</b>	<b>786328</b>	<b>5940.40</b>	<b>5745.03</b>

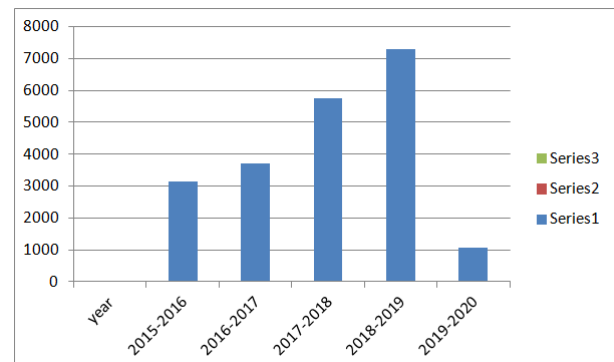
2018-19	Type	No Of Sanctions	Sanctioned Amt	Disbursement Amt
	Loan Range Shishu (up to Rs. 50,000)	916742	2604.10	2552.51
	Loan Range Kishor (from Rs. 50,001 to Rs. 5.00 Lakh)	133072	2491.65	2388.31
	Loan Range Tarun (Rs. 5.00 Lakh to Rs. 10.00 Lakh)	32158	2430.57	2340.71
	Total	1081972	7526.32	7281.53

2019-20 Provisional	Type (Loan Range)	No Of Sanctions	Sanctioned Amt	Disbursement Amt
	Shishu (up to Rs. 50,000)	182603	523.63	515.07
	Kishor (from Rs. 50,001 to Rs. 5.00 Lakh)	20085	314.55	285.68

Lakh)			
Tarun (Rs. 5.00 Lakh to Rs. 10.00 Lakh)	3879	308.51	276.17
Total	206567	1146.69	1076.92

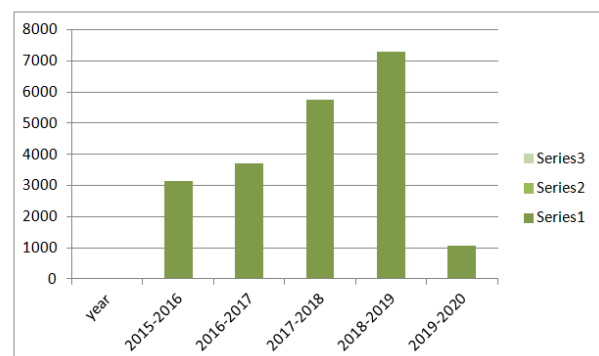
#### Trend Analysis of Performance of MUDRA scheme in HARYANA

#### GRAPHICAL REPRESENTATION OF TREND ANALYSIS OF TOTAL NUMBER OF SANCTIONED IN THE HARYANA IN THE GIVEN YEARS



The above analysis depicts that Mudra scheme was started with vigour but has slowed down with the years it is found that total number of sanctions have dropped in Haryana and trend forecasting also reveal that it will go down further in years to come. It shows that in 2015 -16 the total number of sanction was 745535 and in current financial year provisional sanction is 206567. Subsequently it shows that there are chance of falling down of number of sanctioned for MUDRA loan in 2020-2021

#### GRAPHICAL REPRESENTATION OF TREND ANALYSIS OF TOTAL DISBURSEMENT AMOUNT IN THE HARYANA IN THE GIVEN YEARS



The above given graph represents trend forecasting of amount disbursed in Haryana since 2015-16. It reveals with the drop in the number of sanctioned application there is a fall in disbursement of amount in the state. Though government of Haryana taking various steps to enhance the awareness among the masses. There is a trend forecast that it will goes down in 2019-20 as well.

#### IV. CONCLUSION

We have concluded from the study that due to Pradhan Mantri Mudra Yojna is a major factor behind the development of small and medium enterprises. This yojna will promote competition to give credit support to this lower and needy section, of the population. In Haryana banks are providing and covering a very scale of mudra loan and the result is quite positive and acceptable. Today Haryana is a leading state in terms of small and medium enterprises. This Yojna creates a clear vision and path for developing small scale businesses especially in sub urban areas and it creates a strong foundation of Gross domestic product and government revenue. Mudra loan given to different sections of small enterprises have done well for creating wealth as well as taxation of the government, from 2015 to 2018-19 from the graph, the loan amount is very high and the number of industries started during 2018-19 is also very high. It recognizes that due to launch of this scheme financial inclusion has increased towards positive direction. The desired results achieved by the government through this financial inclusion scheme. If it is implemented as per the priority sector lending schemes to the needy and poor people, it may work as a important tool for government for developing nation through financial inclusion and may boost the Indian growth rate of economy.

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