

Research Article

A Study on the Knowledge and Performance of the Mudra Yojana in the Haryana Region

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A B S T R A C T

In the context of economic policy, the term “financial inclusion” refers to the process of making financial services and products available to all members of society, particularly those who are economically disadvantaged. The goal of achieving financial inclusion is to make sure that everyone has access to bank services such as payment, deposit, credit, money transfer, insurance and other related services. Inclusion in the financial society is often seen as an essential component for the development of societies. The Indian government has taken a step toward achieving its goal of achieving financial inclusion via the Mudra Yojna. This study is an effort to investigate how people in Haryana make use of the mudra Yojna program. Using secondary data, a study was conducted to determine the number of people who took use of the Mudra Yojna facility during the years 2016-2017 and 2017-2018 with regard to Shishu loans, Kishore loans and Tarun loans, as well as the amounts that were sanctioned and disbursed. It has been found that use has risen in the years 2017 and 2018, indicating that people are not only aware of the scheme’s availability but are also using it to meet their company’s needs, whether they are starting out or expanding.

Keywords: Mudra Yojna, PMMY, Financial Inclusion, Shishu Loans, Kishore Loans, Tarun Loans, Economic Policy, Financial Services

Introduction

A scheme that was initiated on April 8th, 2015 by the Prime Minister of India with the purpose of supporting small and medium enterprises. The Micro Units Developments and Refinance Agency is the name of the scheme (MUDRA). The less financially secure members of society are eligible to get financial assistance under this scheme. In the beginning stages of development, MUDRA was founded as a wholly owned subsidiary of SIDBI, with SIDBI contributing one hundred percent of the company’s initial capital. At the moment, MUDRA has a total authorized capital of 1000 crore, but its paid-up capital only amounts to 750 crore, all of which was contributed by SIDBI. The Pradhan Mantri Mudra Yojna (PMMY) is now active and may be accessed from any of the bank branches located around the nation.

“To create an inclusive, sustainable and value-based entrepreneurial culture, in collaboration with our partner institution in achieving economic success and financial security” is MUDRA’s stated mission. A lending facility is made available to commercial units under the MUDRA, with regard to the size and stage of their respective businesses. The Prime Minister’s Million Dollar Yojana is the flagship program of the Government of India’s efforts and it plays a significant part in the country’s progress toward greater financial inclusion. There is no way for the micro unit development and refinance agency to lend money directly to the micro enterprises or people.

Review of Literature

2015 Report on the Performance of the Mudra Bank by Venkatesh J. Demonstrated the overall expansion and

development of the MSME sector. The paper's primary emphasis was on the significance of MUDRA bank and the role it plays in relation to the MSME sector. In this article, we suggest how the Mudra Bank might assist in the development of the MSME sector. Every step that the government undertakes to encourage company owners and the development of small-scale industries also helps entrepreneurs.

According to the findings of Godha Anurodh (2017), PMMY has been performing an essential role in the advancement of financial inclusion. The weaker sections, low income groups and unfunded populations of the society are provided help under this scheme. According to this study, PMMY plays an important role in increasing people's access to financial services. The performance of PMMY in the state of Rajasthan was examined in this study.

Researchers Binija George and Dr. J Nalini (2018) investigated the role that mudra banks play in the growth of micro, small and medium enterprises (MSME), as well as the types of goods and loans that mudra banks provide. The state of Kerala is the primary subject of this study. It came to the conclusion that PMMY assists the people of Kerala in obtaining the various types of mudra loans.

Objectives of the Study

- To learn more about the Mudra Products that are offered via PMMY
- To learn how the total number of loans that were sanctioned in the change of Haryana throughout the years 2016-2017 and 2017-2018
- To learn how much of an increase or change there was in the amount of money that was sanctioned for the PMMY program in Haryana between 2016-2017 and 2017-2018
- To find out how much amount was distributed in Haryana as change of the PMMY throughout the years 2016-17 and 2017-18

Research Methodology

This study makes use of secondary sources of data and takes a descriptive approach to its subject matter. In order to make the study more valuable, we referred to economic surveys, newspapers and websites that were pertinent to the topic at hand. In particular, we relied heavily on the PMMY website since it provided us with important data that was helpful to our study. The purpose of this study is to investigate the performance and significance of the PMMY in India, particularly in Haryana.

Data Analysis and Interpretation

Mudra Products

Under the Pradhan Mantri Mudra Yojna, there are three different kinds of loans that may be obtained:

Table I

| Type of Loan PMMY | Shishu | Kishor | Tarun |
|-------------------|------------------|---|---|
| Loan Limit | Up to Rs. 50,000 | A loan for an amount more than 50,000 rupees and up to 500,000 rupees | A Loan of Over 5 Lakh Rupees and Up to 10 Lakh Rupees |
| Objective of Loan | For Start Up | It Is Necessary to Obtain a Loan Before Beginning a Business | For the Sake of the Development of the Company |
| Loan | Up | Business | Company |

How to take Advantage under PMMY (MUDRA) Scheme

Any individual or organization that receives revenue from sources other agriculture is eligible to qualify for a MUDRA loan. Participants in this scheme received credits totaling less than 10 lakh. The MUDRA scheme does not directly provide small and medium-sized enterprises any type of loan assistance. The borrower may get in touch with any of the following organizations directly to utilize the MUDRA loan facility that is offered in their region:

- Micro Financial Institutions viz, MFI's NBFC's, Trusts, Societies etc
- Regional Rural Banks (RRBs)
- State co-operative Banks/ Scheduled Urban Co-Operative Banks
- Scheduled commercial Banks (Private/ Public)

Those who are qualified to take part in the Pradhan Mantri MUDRA Yojna include:

Both rural and urban units may be home to service sector enterprises, truck drivers, store units, food-service businesses, fruit and vegetable vendors, small industries, machine operators, repair shops, artisans, food processors and other company kinds. Millions of owner-operated businesses and partnership firms that function as small manufacturing units make up the Non-Corporate Small Business Segment (NCSB).

The performance of Shishu loans in Haryana throughout the 2016-2018 fiscal year is shown in Table 2. The maximum number that may be borrowed via a Shishu loan is 50,000 loans. According to the data shown in the table above, the amount of Shishu loans taken out in the state of Haryana has grown by 19 percent, going from 660709 to 652844. During the aforementioned time period, there was a change of Rs. 291.41 crore in the amount of such loans that were sanctioned, which represents an increase of 19 percent.

1460.35 crore rupees have been transferred out of a total of 1499.67 crore rupees that were sanctioned for transfer during the 2018-19 fiscal year. Overall, this demonstrates that there has been an increase in the number of individuals in Haryana taking use of the benefits offered by Shishu loans.

Table 2.PMMY's Haryana performance from 2016 to 2018

| Year | Financial Year 2017-18 | Financial Year 2016-17 | Increase/ Decrease | % Change |
|---------------------------------|------------------------|------------------------|--------------------|----------|
| Shishu Loan | 660709 | 652844 | Increase | 1.20% |
| Amount sectioned (Rs. In Crore) | 1791.08 | 1499.67 | Increase | 19% |
| Amount disbursed (Rs. In Crore) | 1757.46 | 1460.35 | Increase | 20% |

Table 3.Haryana: PMMY- Progress in Kishore Loan (2016-2018) (Rs. 50,001 to Rs. 5.00 Lakh)

| Year | Financial Year 2017-18 | Financial Year 2016-17 | Increase/ Decrease | % Change |
|---------------------------------|------------------------|------------------------|--------------------|----------|
| Kishore Loans | 98920 | 47513 | Increase | 108% |
| Amount sectioned (Rs. In Crore) | 2118.54 | 1050.82 | Increase | 102% |
| Amount disbursed (Rs. In Crore) | 2023.27 | 992.33 | Increase | 104% |

It has been reported that the Mudra Yojna loan for the Kishore performance has been doing well. The number of loans that have been sectioned off under this program has increased by 51407 from the previous year; this is a 108% increase over the previous year. In comparison to the previous year, 2016-17, the amount that was sectioned off saw a 102% increase. The total amount that has been dispersed as a result of this scheme has grown by 1030.94 crore as a result of this scheme. In comparison to the previous year, Kishore's loan performance has shown a significant increase.

The number of loans that are classified as Tarun loans has increased, as can be seen in table 4, which was used

to make this observation. In addition, the section that displays the amount to the account holder was raised. In comparison to the previous fiscal year, 2016-17, the amount of money spent increased up by 719.4 crore. The amount of the Tarun loan section is more than 5 lakhs and less than 10 lakhs. The growth ambitions of individuals in relation to their businesses may be the reason why they like the Tarun loan. This, in turn, will provide job chances, which is beneficial for the economic development of the nation.

Table 4.Haryana: PMMY-Progress in Total Loan (2016-2018) (Amount Rs. in Crore)

| Year | Financial Year 2017-18 | Financial Year 2016-17 | % Increase | Performance |
|---------------------------------|------------------------|------------------------|------------|-------------|
| Tarun loan | | | | |
| No. of PMMY loan sectioned | 786328 | 652844 | 20% | Increase |
| Amount sectioned (Rs. in Crore) | 5940.4 | 3843.53 | 54% | Increase |
| Amount disbursed (Rs. in Crore) | 5745.03 | 3697.59 | 55% | Increase |

The overall performance of the Mudra Yojna initiative in the state of Haryana is now at the stage of growth. When compared to the previous year, 2017-2018 saw an increase in the total number of account holders. In comparison to the 2017-18 fiscal year, the amount that will be allocated to the recipients will also increase. The amount of money given to individuals has also increased in comparison to the previous year, representing a rise of 55% over the previous year's total of 2016-17.

Conclusion

Following the analysis of the data presented above, one may draw the conclusion that the PMMY has caused a significant shift in the microfinance industry. More work must be put forth in order to offer the loan of credit and loans authorized by the Mudra Yojna. The competition among financial institutions to provide financial aid to the unfunded and lower income people of society has increased as a result of this scheme. As a result, the Government of India continues to operate the Pradhan Mantri Mudra Yojna (PMMY) as a significant project and provide money to millions of unfunded micro units all throughout the country. The Pradhan Mantri Mudra Yojna's introduction has been noted to have had a positive impact on the result

of people who have access to financial services. If this program is properly implemented for the poor, it will be a game-changing initiative for the Indian government to increase financial inclusion and will help to advance the economy's overall growth.

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