



Financial Inclusion in India Through Micro Units Schemes- Sustainable Development for the Five Year (2015-20) Study



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Abstract: Micro units are a significant economic segment of our society and are a major source of employment after the agriculture sector. The purpose of this paper is to assess the performance of the government's scheme after five years (2015-20) in order to determine whether the MSME sector has grown and developed over that period. Micro units engaged in manufacturing, processing, trading, and service activities are included in this category. It is responsible for providing employment to approximately 10 million individuals. There are a lot of proprietary/single-ownership/own-account businesses in the non-corporate small business sector. In view of India's large population, it is difficult for them to access mainstream commercial banks. India sometimes introduces objective-oriented schemes to help the underprivileged start up, expand, and change their small businesses. Through an empirical investigation, this paper will evaluate the needs and performance of this program after five years (2015-20). The Mudra Banking Scheme is also an objective-oriented model for the financial inclusion of the poor who do not have mortgages to cover their financial needs. Honorable Prime Minister of India Shri Narendra Modi commenced this banking scheme in August 2015.

Keywords: Sustainable development; MSME; PMMY-MUDRA scheme; Financial inclusion; Employment

1. Introduction

An objective-oriented programme for the financial inclusion of small entrepreneurs was launched on 8th April 2015. The Pradhan Mantri Mudra Scheme provides loans to commercial banks, regional rural banks, small finance banks, microfinance institutions, and non-banking financial institutions.

There are 120 million people employed in the MSME sector in India, which contributes 8% to the country's GDP and 40% of its exports. Despite being one of the fastest-growing sectors of the country, MSME faces many challenges in the areas of finance, infrastructure, technology, marketing, and policy. In spite of all of these factors, the availability of finance is the most significant problem facing micro and small businesses.

Rangarajan (2008) has stated One definition of "financial inclusion" describes it as "the act of guaranteeing access to financial services and timely and enough credit where it is required for vulnerable groups such as weaker sections and low-income groups at a reasonable cost". India is developing quickly. History shows that Small and Medium Enterprises, currently named Micro, Small and Medium Enterprises in India, have always been supported. However, there has been a gap between their capital demands and available resources. Microcredit is a novel poverty-reduction instrument that may help India's SMEs. Credit is the most important business aspect. The finest initiatives might collapse without proper funding. MSMEs require loans for operating, diversifying, and expanding. MSMEs have restricted budgets, frequently supported by owner contributions, loans from friends and family, and bank credit. Also, knowledge asymmetries with small scale borrowers have limited micro business financing (Lokhande, 2011). Technology advancements such as automated teller machines, credit/debit cards, online money transactions, internet banking, etc., have rendered bank tellers obsolete. However, access to such resources is limited. Numerous surveys and studies have demonstrated that vast swaths of the population struggle to get access to even the most fundamental of banking and financial services, and this is not unique to India. As such, this may

be categorised as "financial exclusion." Those with low incomes have limited access to financial services, including bank accounts for making payments and keeping money, receiving remittances, obtaining reasonable loans, and obtaining insurance (Garg & Agarwal, 2014). By bringing the unfunded into the formal financial system and offering them affordable credit, Pradhan Mantri Mudra Yojana (PMMY) facilitates the process of "funding the unfunded" as discussed in Pradhan Mantri Mudra Yojana, Vikaspedia (2020).

It is estimated that the majority of these enterprises do not have proper books of accounts or collateral security and are generally unorganized and unregistered. Therefore, banks have a difficult time providing financial assistance to this sector. As a means of providing financial assistance and support to the MSME sector, the Government of India has launched the Pradhan Mantri Mudra Scheme - MUDRA Scheme. Lending to the poor has been difficult for India's banking system. Some of the measures taken in the past toward this goal include the nationalisation of large banks, the opening of several new branches, the creation of Regional Rural Banks (RRBs), and the implementation of directed lending in accordance with the priority sector idea. There has been a recent development in the provision of low-quality credit: Self-Help Groups (SHGs) (Bhatia, 2007). It is necessary to bring financial institutions directly to the people of India in order to achieve the goal of achieving financial inclusion. This would guarantee that all Indians have access to the fundamental financial services. There has been a significant amount of research conducted with the goal of better comprehending the reasons behind why consumers utilise banking and financial services online (Malhotra & Baag, 2022).

MUDRA's mission is to bank the unbanked, providing financial services to micro and small enterprises that have difficulty raising funding. It is common for commercial banks to disregard businesses that are not registered, are not corporations, and are unorganized. Under PMMY, the Government of India has launched the Pradhan Mantri Mudra Scheme to fund the unfunded MUDRA scheme. The project provides refinance up to Rs.10 lakh for small manufacturing units, self-help groups, shopkeepers, transporters and truck operators, salons, beauty parlors, machine operators, artisans, food processors, and service providers.

2. Purpose of the Research

The paper aims to clarify the relationship of government schemes and micro units through startups expansion there for the growth of economy and engagement of employment enhancement for the society well-being. The research paper is based on descriptive study in nature. It processes the PMMY MUDRA Scheme with other schemes and other government functioning institutes activities mainly helping the small-scale units to initiate and empower, also focusing on the neglect section of the society to grow. This study aims to find out the growth rate of a selected time period through descriptive statistical tools that were applied in the analysis of data.

3. Literature of Review

Mol & Tp (2014) has explained the issues like financial literacy, awareness level related to execution of MUDRA scheme. Chandra reveals the objective oriented scheme to attain development. Rudrawar & Uttarwar (2016) has find out the desired transformation of this scheme.

Roy (2016) has studied the initiatives taken by the Indian Government in right direction. Gupta (2022) highlights that small micro businessmen are not able to approach main stream banks since this scheme are useful for financial inclusion.

Top-down development ensures inclusivity. Financial inclusion encourages banking among India's largest rural population. Financial inclusion attempts to make banking and financial services equitable, transparent, and inexpensive. Low-income families often lack bank accounts and must make numerous journeys to get one or acquire a loan, making it difficult to save and plan for the future (Paramasivan & Ganeshkumar, 2013).

The term "financial inclusion" (FI) refers to an initiative whose goal is to make sure that all adults in a given society may have access to and benefit from a wide range of appropriate financial goods and services. Payments, savings, credits, insurance, pensions, etc., fall under this category (Nwankpa, 2019). Okafor et al. (2022) has stated that to accommodate FI's expansion, access points should be strategically located in less-trafficked areas, and existing infrastructure should be modernised. With the use of the financial services geospatial map, a strategy to expand the number of banking and financial service facilities in underbanked and unbanked areas should be developed.

Small financing banks have enhanced banking services for rural communities, helping them to gain economically and socially. Microcredit helps neglected and poor populations better their economic and social life. Small Finance Banks improve the economic and social position of rural communities (Chaturvedi, 2022).

Savings, insurance, and remittances may help battle poverty and build a nation. To achieve universal financial access, policymakers, banks, MFIs, NGOs, and regulators must interact. Government advocates of microfinance should speed up the development of financial literacy programmes to help their people exploit the sector's economic potential. Financial literacy programmes may reduce poverty (Singh & Tandon, 2012). RBI, government, NABARD, and implementing agencies must collaborate to promote financial inclusion and inclusive development.

This will boost economic development. Complexity exists despite implementations. To overcome these complications, financial inclusion programmes should be carefully planned and regulated, allowing for more effective and efficient implementation throughout the nation. SHGs, MFIs, and MSMEs should access financial services. Modern governments have started major financial inclusion efforts to give inexpensive financial services to everybody. Therefore, India needs financial inclusion (Kesavan, 2015).

Financial technology is "FinTech." Fintech innovations include innovative business concepts, applications, processes, and products. FinTech might affect India's financial services and credit. If FinTech companies decrease costs and expand access to these services, disadvantaged, low-income, rural, and other underrepresented groups of the Indian economy may benefit from increased competition and Financial Inclusion (Raj & Upadhyay, 2020).

4. Research Objectives and Methods

4.1 Research Objectives

- (1) To study the various schemes under PMMY.
- (2) To analyze the financial performance of MUDRA scheme.

4.2 Research Methods

Study in nature is descriptive based upon secondary information collected from various newspaper, magazine, and websites. Descriptive method applied to analysis of data.

The following Table 1 shows the performance of MUDRA scheme for the FYs 2015-16 to 2019-20.

Table 1. Performance of MUDRA SCHEME (FYs 2015-16 to 2019-20)

Year	No of PMMY loans	Amount sanctioned (in Crores)	Amount disbursed (in Crores)
2015-16	34880924	137449.27	132954.73
2016-17	39701047	180528.54	175312.13
2017-18	48130593	253677.10	246437.40
2018-19	59870318	321722.79	311811.38
2019-20	62247606	337495.53	329715.03

Products and offerings of MUDRA banking scheme: as per PMMY (Vikaspedia, 2015) Reports–www.mudra.org.in

Micro Units Development and refinance Agency Ltd. (MUDRA) is an NBFC supporting development of small and micro industries in the country. MUDRA facilitates refinance support to Banks/MFI, s/NBFCs for lending to micro units having loan requirements up to 10 Lakh. MUDRA provides refinance support to small businesses under the Scheme of Pradhan Mantri MUDRA Scheme (Plan).

In terms of MUDRA, as shown in Figure 1, it includes technologies enablers, refinancing for micro units with commercial banks, NBFCs, RRBs, SBBs, and MFIs of different categories, such as Shishu, Kishor, and Tarun, as well as credit guarantees for MUDRA loans (by NCGTC), as well as development and promotional support that is divided into sectors like sectoral development, financial literacy, and establishment of institutions. Under the aegis of PMMY, MUDRA has developed three products under the premise of showing the stage of growth and development of the beneficiary micro unit / entrepreneur. These products will serve as a reference point for the next phase of graduation/growth for the beneficiary micro unit/entrepreneur.

Various types of products offered by the MUDRA Scheme are depicted below: as per PMMY (Vikaspedia, 2015) Reports–www.mudra.org.in

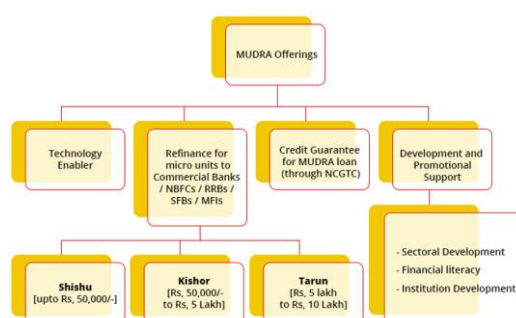


Figure 1. MUDRA offerings

Source: <https://www.mudra.org.in/>

There are mainly three type categories for the loans named “Shishu, Kishore, and Tarun”:

- **Shishu:** covering loans upto 50,000/-
- **Kishor:** covering loans above 50,000/- and upto 5 lakh
- **Tarun:** covering loans above 5 lakh and upto 10 lakh

Micro Credit Scheme: This scheme is offered through MFI,s which deliver credit up to 1 lakh. Although the model of delivery may be through SHG,s/JLG.s/Individuals, the loans are given by the MFIs to individual entrepreneurs.

Refinance Scheme: Different banks like commercial bank, RRBs, Small finance banks and NBFC, are eligible to avail refinance support for term loan and working capital up to 10 lakh per unit from MUDRA for financing Micro entrepreneur’s activities. In order to encourage women entrepreneurs the financing banks/MFI,s may consider extending additional facilities, including interest reduction on their loan. At present MUDRA extends of 25 bps in its interest rates to MFI,s/NBFCs, which are providing loans to women entrepreneurs.

MUDRA loans are extended with some purposes-as per PMMY (Vikaspedia, 2015) Reports – www.mudra.org.in

- Business loan for Vendors, Traders, Shopkeepers and other service sector activities.
- Working capital loan.
- Financing of equipment
- Loans for commercial vehicle.
- Loans for agro-allied non-farm income generating activities e.g., pisciculture. Bee keeping, poultry farming, etc.
- Loans for tractor, triller as well as wheeler useful in Agri business.

Objectives or purpose of MUDRA banking: as per PMMY (Vikaspedia, 2015)

Reports – www.mudra.org.in

- 1) **Transport vehicle:** auto-rickshaws, 2 and 3 wheelers, e-rickshaw, and taxis etc. tractor/trolleys/power tillers used only for commercial purpose.
- 2) **Community, social & personal service activities:** Saloons, beauty parlour, gym. Boutiques, boutique, tailoring shops, dry cleaning, cycle and motorcycle repair shops, DTP and photocopying facilities, medical shops, courier agents, etc.
- 3) **Food Products sector:** Papad achar, jam/jelly making, sweets shops, small service food stalls and day to day catering/ canteen services, cold chain vehicles, cold storage, biscuit, bread bun and ice & ice cream making units etc.
- 4) **Textile Products Sector:** Hand or power looms khadi, chicken work, zari, zardozi traditional embroidery dyeing, printing, apparel design, knitting, cotton ginning, computerized embroidery stitchingand other non-garment products like bags vehicle accessories, furnishing accessories.
- 5) **Business loans for the traders and shopkeeper** up to loan size of 10 lakh.
- 6) **Finance for equipment for Micro Units and loan size up to 10 lakh.**
- 7) **Agriculture allied activities** e.g., fishery, poultry bee keeping live stockrearing grading sorting aggregation diary food agro-processing excluding crop loans).

Financial literacy can be seen as a demand-side indicator, as can financial inclusion as a supply-side indicator, as seen in Figure 2. There are several factors associated with financial literacy, namely the demand side, such as financial literacy and credit counseling centers, credit absorption capacity, knowledge of products, and the need for various products and services. Additionally, the supply side of financial inclusion focuses on financial markets, banks' financial services, products and services that are appropriate to the market.

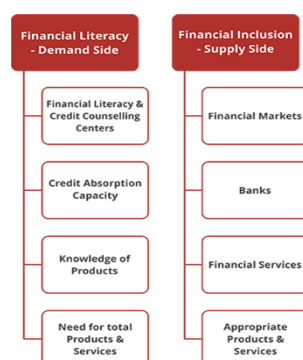


Figure 2. Financial literacy and financial inclusion

Source: www.mudra.org.in

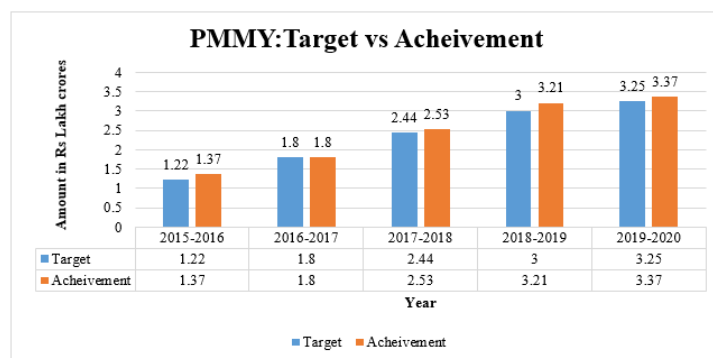


Figure 3. Target vs Achievement

Source: mudra.org.in

Table 2. (As fig.–PMMY–Overall Performance Report, Year 2015-16)

PMMY - Overall Performance report									
Financial Year: 2015-2016									
[Amount Rs. in Crore]									
Sr No	Category	Shishu (Loans up to Rs. 50,000)				Kishore (Loans from Rs. 50,001 to Rs. 5.00 Lakh)			
		No of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	14680840	29071.86	28523.44	21878.39	1458346	31770.54	30286.31	26858.54
2	SC	5952482	10811.29	10715.83	7726.29	143357	2805.05	2680.14	2440.56
3	ST	1606484	3022.4	2982.88	2252.12	62869	1249.3	1179.43	1049.65
4	OBC	10161240	19989.41	19805.54	14954.58	404889	7227.66	6927.4	6263.69
5	Total	32401046	62894.96	62027.69	46811.38	2069461	43052.55	41073.28	36612.44
Out of Above									
6	Women Entrepreneurs New	27103118	69038.97	50640.02	36969.45	473536	9068.03	8675.43	7468.66
7	Entrepreneurs /Accounts	11081122	21426.03	20942.19	15925.43	1191917	24265.16	22991.63	20291.99
8	Minority	3831950	6940.44	6840.64	4811.08	222084	4528.23	4309.33	3896.03
9	PMJDY OD Account	2417030	445.92	271.45	160.9	184	2.29	2.29	2.19
10	Mudra card	456630	601.03	556.2	495.6	46266	423.38	405.85	315.27
11	Skill Trained Persons	1872479	2534.89	2519.45	1453.87	27820	592.99	526.55	464.7
PMMY - Overall Performance report									
Financial Year: 2015-2016									
[Amount Rs. in Crore]									
Sr No	Category	Tarun (Loans from Rs. 5.00 to Rs. 10.00 Lakh)				Total			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	340239	26369.35	24948.65	21524.67	16479425	87211.75	83758.4	70261.6
2	SC	18898	1358.73	1295.82	1157.28	6114737	14975.07	14691.79	11324.13
3	ST	8993	606.53	579.72	517.59	1678346	4878.23	4742.03	3819.36
4	OBC	42287	3167.15	3029.57	2669.51	10608416	30384.22	29762.51	23887.78
5	Total	410417	31501.76	29853.76	25869.05	34880924	137449.27	132954.73	109292.87
Out of Above									
6	Women Entrepreneurs New	51611	4076.55	3874.98	3343.16	27628265	82183.55	63190.43	47781.27
7	Entrepreneurs /Accounts	201629	15958.76	14974.26	12790.98	12474668	61649.95	58908.08	49008.4
8	Minority	34176	2549.32	2410.33	2101.16	4088210	14017.99	13560.3	10808.27
9	PMJDY OD Account	5	0.28	0.28	0.27	2417219	448.49	274.02	163.36
10	Mudra card	14560	452.55	429.2	344.14	517456	1476.96	1391.25	1155.01
11	Skill Trained Persons	6176	512.96	468.26	411.27	1906475	3640.84	3514.26	2329.84

Table 3. (As fig. PMMY - Overall Performance Report, Year 2016-17)

PMMY - Overall Performance report									
Financial Year: 2016-2017									
[Amount Rs. in Crore]									
Sr No	Category	Shishu (Loans up to Rs. 50,000)				Kishore (Loans from Rs. 50,001 to Rs. 5.00 Lakh)			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	14835512	35163.69	34615.71	26289.17	1896749	40820.62	39135.12	33416.74
2	SC	6985508	15976.2	15774.74	10972.48	139982	2170.84	2040.03	1830.51
3	ST	1726857	3831.23	3763.66	2551.94	59987	1030.01	954.25	847.1
4	OBC	12949936	30129.63	29737.77	20593.76	566784	9523.67	8933.73	7830.89
5	Total	36497813	85100.74	83891.88	60407.35	2663502	53545.14	51063.12	43925.22
Out of Above									
6	Women Entrepreneurs New	28472344	66997.91	66185.86	46684.74	624925	9541.63	8733.38	15938.01
7	Entrepreneurs /Accounts	8110486	18720.64	18429.78	13250.49	1586010	31757.94	30001.99	25841.24
8	Minority PMJDY OD	4786834	11341.14	11186.68	7545	324071	5690.97	5380.82	4761.6
9	Account	1423715	417.64	312.62	168.12	0	0	0	0
10	Mudra card	147371	386.14	356.44	318.06	27948	550.35	543.42	438.63
11	NULM	5841	23.03	21.66	18.88	9870	155.43	138.98	124.03
12	NRLM	73449	314.76	263.78	230.01	75634	1293.93	956.61	817.57
13	Other Govt. Sponsored Prog.	1036913	2664.79	2623.55	1968.52	189658	3377.27	3140.73	2582.56
PMMY - Overall Performance report									
Financial Year: 2016-2017									
[Amount Rs. in Crore]									
Sr No	Category	Tarun (Loans from Rs. 5.00 to Rs. 10.00 Lakh)				Total			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	468592	36600.85	35281.49	29508.15	172008531	12585.16	109032.31	89214.06
2	SC	10134	750.79	709.32	604.4	7135624	18897.83	18524.08	13407.38
3	ST	5658	411.5	387.64	320.03	1792502	5272.74	5105.55	3719.07
4	OBC	55348	4119.52	3978.69	3444.15	13572068	43772.82	42650.19	31868.8
5	Total	539732	41882.66	40357.13	33876.74	397010471	80528.54	175312.13	138209.31
Out of Above									
6	Women Entrepreneurs New	49625	3750.13	3330.54	2917.9	29146894	80289.68	78249.77	65540.65
7	Entrepreneurs /Accounts	292974	22481.56	21542.19	18043.26	9989470	72960.14	69973.96	57134.98
8	Minority PMJDY OD	43646	3243.96	2906.7	2488.15	5154551	20276.07	19474.2	14794.75
9	Account	0	0	0	0	1423715	417.64	312.62	168.12
10	Mudra card	8605	628.12	615.98	512.24	183924	1564.61	1515.84	1268.93
11	NULM	117	8.31	7.94	7.25	15828	186.77	168.59	150.16
12	NRLM	6437	395.74	166.71	134.87	155520	2004.42	1387.11	1182.45
13	Other Govt. Sponsored Prog.	27414	2201.58	2086.45	1792.68	1253985	8243.64	7850.74	6343.76

According to the Mudra Scheme, as described Figure 3, the Modi government was planning to provide loans in the amount of 1.22 lakh crore in 2015-16, Rs 1.80 lakh crore in 2016-17. As a result, the total amount of sanctioned loans for the fiscal year was slightly over Rs 1.88 lakh crore. Despite meeting the target for sanctioning the loans, disbursements fell short of the target by Rs 5,000 crore. The government increased its target from Rs 1.80 lakh crore to Rs 2.44 lakh crore in 2017-18, an increase of nearly 35%. It is important to note that the government was able to meet the steep target as Mudra loans worth more than Rs 2.53 lakh crore were sanctioned in FY 2017-18, while disbursements were also higher than the target by Rs 2,000 crore. During the third consecutive year, the Pradhan Mantri Mudra Yojana (PMMY), the flagship scheme of Prime Minister Narendra Modi, achieved its annual lending target of Rs 3 lakh crore. It was the government's goal in the previous year's budget to achieve this

ambitious goal. According to the latest official data, small loans worth more than Rs 3.21 lakh crore have been ratified in 2018-19 under the PMMY scheme, exceeding the set target of Rs 3 lakh crore. Additionally, loan disbursements exceeded the target mark at around Rs 3.12 lakh crore, as reported by Financial Express. Initially, the target appeared challenging since it represented a jump of nearly 23% over the FY 2017-18 target. During the 2018-19 financial year, Modi's government had set a target of providing loans worth Rs 3.25 lakh crore under the Mudra scheme. The total amount of loans sanctioned was Rs 3.27 lakh crore.

Table 4. (As fig. PMMY - Overall Performance Report, Year 2017-18)

PMMY - Overall Performance report									
Financial Year: 2017-2018									
[Amount Rs. in Crore]									
Sr No	Category	Shishu (Loans up to Rs. 50,000)				Kishore (Loans from Rs. 50,001 to Rs. 5.00 Lakh)			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	17911238	47171.25	46539.48	35219.95	3283034	66477.31	63885.28	56393.54
2	SC	8186001	19462.62	19068.53	13703.3	307214	3976.79	3718.07	3377.96
3	ST	2418131	5616.06	5475.88	3991.14	112795	1794.64	1680.81	1566.6
4	OBC	14154425	33751.67	33144.16	23741.06	950831	14483.42	13912.94	12225.5
5	Total	42669795	106001.6	104228.05	76655.45	4653874	86732.16	83197.09	73563.59
Out of Above									
6	Women Entrepreneurs New	32144132	80371.59	78921.72	56150.59	1335192	16586.84	15749.53	13966.68
7	Entrepreneurs / Accounts	10047673	22622.86	22258.81	16786.05	2105072	44042.84	41754.36	36438.1
8	Minority	4697008	12319.63	12040.72	8392.48	520750	7826.62	7467.92	6757.62
9	PMJDY OD Account	423046	52.81	37.9	27.56	0	0	0	0
10	Mudra card	122711	299.25	266.44	258.06	22044	539.04	529.41	425.63
11	NULM	4863	19.85	18.15	16.01	11015	176.4	158.93	142.22
12	NRLM	37825	182.18	167.83	113.83	96372	1773.83	1640.23	1161.13
13	Other Govt. Sponsored Prog.	304224	775.96	753.47	633.87	197170	3558.57	3233.64	2910.15
PMMY-Overall Performance report									
Financial Year: 2017-2018									
[Amount Rs. in Crore]									
Sr No	Category	Tarun (Loans from Rs. 5.00 to Rs. 10.00 Lakh)				Total			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	712207	53976.53	52325.68	45881.87	21906479	167625.09	162750.43	137495.35
2	SC	12946	939	897.61	797.73	8506161	24378.41	23684.22	17878.99
3	ST	8381	589.71	549.76	498.27	2539307	8000.41	7706.45	6056.01
4	OBC	73390	5438.1	5239.2	4716.37	15178646	53673.18	52296.3	40682.93
5	Total	806924	60943.34	59012.25	51894.23	48130593	253677.1	246437.4	202113.28
Out of Above									
6	Women Entrepreneurs New	78914	6295.7	5499.3	5015.79	33558238	103254.12	100170.55	75133.06
7	Entrepreneurs / Accounts	406582	30783.01	29643.44	26030.44	12559327	97448.7	93656.61	79254.59
8	Minority	52337	3945.53	3646.69	3362	5270095	24091.77	23155.33	18512.1
9	PMJDY OD Account	0	0	0	0	423046	52.81	37.9	27.56
10	Mudra card	7709	643.14	629.63	516.8	152464	1481.43	1425.48	1200.49
11	NULM	122	8.32	7.86	7.02	16000	204.57	184.94	165.25
12	NRLM	3123	202.99	195.23	144.5	137320	2159	2003.29	1419.46
13	Other Govt. Sponsored Prog.	24483	1885.98	1767.25	1559.97	525877	6220.51	5754.37	5103.99

During these five years, Micro Units Development & Refinance Agency Ltd. (MUDRA), as a support institution, has played a dual role by extending refinance support to various lending institutions and monitoring the progress

of implementation of PMMY closely through a dedicated portal which captures various aggregated data pertaining to the scheme PMMY as per the requirements of the Govt. of India.

Table 5. (As fig. - PMMY - Overall Performance Report, Year 2018-19)

PMMY - Overall Performance report									
Financial Year: 2018-2019									
[Amount Rs. in Crore]									
Sr No	Category	Shishu (Loans up to Rs. 50,000)				Kishore (Loans from Rs. 50,001 to Rs. 5.00 Lakh)			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	25993019	74816.03	73985.06	54383.3	4439825	78947.67	75818.02	66989.3
2	SC	8767153	23253.35	22556.66	16376.78	552277	5291.86	5069.8	4618.98
3	ST	3012074	7697.71	7421.42	5279.9	200315	2352.7	2195.75	2092.01
4	OBC	13735192	36578.17	35688.4	26723.83	1413592	17794.45	16784.42	14951.39
5	Total	51507438	142345.25	139651.55	102763.82	6606009	104386.68	99868	88651.68
Out of Above									
6	Women Entrepreneurs New	33403579	96253.15	93977	67437.83	2875392	26741.23	25666.77	25034.39
7	Entrepreneurs / Accounts	10935180	29133.3	28768.86	21239.45	2016546	43337.87	40195.47	36228.67
8	Minority	5455596	15004.01	14604.17	10250.94	725905	9629.53	9244.44	7803.03
9	PMJDY OD Account	671691	124.34	62.06	64.58	0	0	0	0
10	Mudra card	134238	324.05	292.39	319.27	23701	598.08	587.92	462.99
11	NULM	5521	23.36	20.74	20.53	12592	209.31	189.58	166.55
12	NRLM	14364	64.41	48.73	96.9	130797	3299.77	2541.39	3096.25
13	Other Govt. Sponsored Prog.	377944	990	964.95	844.64	215928	4151.12	3808.27	3373.74
PMMY - Overall Performance report									
Financial Year: 2018-2019									
[Amount Rs. in Crore]									
Sr No	Category	Tarun (Loans from Rs. 5.00 to Rs. 10.00 Lakh)				Total			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	1302379	66365.45	63984.62	58706.19	31735223	220129.14	213787.7	180078.8
2	SC	133089	1412.16	1362.91	1890.12	9452519	29957.36	28989.37	22885.88
3	ST	128940	1003.14	973.1	1043.58	3341329	11053.54	10590.27	8415.49
4	OBC	192463	6210.12	5971.21	7072.71	15341247	60582.74	58444.04	48747.93
5	Total	1756871	74990.86	72291.84	68712.6	59870318	321722.79	311811.38	260128.1
Out of Above									
6	Women Entrepreneurs New	783591	10039.23	9509.46	10213.62	37062562	133033.62	129153.23	102685.84
7	Entrepreneurs / Accounts	442076	33561.89	31961.25	30833.54	13393802	106033.06	100925.58	88301.66
8	Minority	70139	5490.23	5180.85	4637.55	6251640	30123.77	29029.47	22691.52
9	PMJDY OD Account	0	0	0	0	671691	124.34	62.06	64.58
10	Mudra card	9366	789.81	771.65	611.7	167305	1711.94	1651.97	1393.96
11	NULM	292	20.49	19.09	17.78	18405	253.17	229.41	204.86
12	NRLM	7892	521.22	512.29	2223.27	153053	3885.4	3102.41	5416.42
13	Other Govt. Sponsored Prog.	30430	2386.6	2226.15	1948.11	624302	7527.72	6999.36	6166.5

Table 2 signifies the PPMY-Overall performance report of F.Y. 2015-16. On 8 April 2015, the Hon'ble Prime Minister, Shri Narendra Modi, launched Micro Unit Development and Refinance Agency Limited (MUDRA) and Pradhan Mantri MUDRA Yojana (PMMY). According to the PMMY guidelines issued by the Department of Financial Services (DFS), the Government of India indicates that banks are required to lend to micro enterprises engaged in manufacturing, processing, trading, and services up to Rs. 10 lakh. As well, it was suggested that the loan may be divided into three categories: an amount of up to 50,000 under Shishu; 50,000 to five lakhs under Kishore; and five lakhs to ten lakhs under Tarun. In addition, it was anticipated that the Shishu category would require more attention. It has been set a target of Rs. 1,22,188 crore for the financial year 2015- 16.

Table 6. (As fig. PMMY - Overall Performance Report, Year 2019-20)

PMMY - Overall Performance report									
Financial Year: 2019-2020									
[Amount Rs. in Crore]									
Sr No	Category	Shishu (Loans up to Rs. 50,000)				Kishore (Loans from Rs. 50,001 to Rs. 5.00 Lakh)			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	27614426	86659.5	86271.73	61917.3	3776211	67331.92	64342.05	57234.37
2	SC	9531602	27326.49	27193.01	19768.57	715832	6064.07	5896.41	5331.16
3	ST	3580397	10086.7	10053.53	7216.47	281585	2828.11	2708.82	2518.77
4	OBC	13764192	39486.14	39294.95	29291.89	1698245	19354.28	18479.78	17318.95
5	Total	54490617	163558.83	162813.21	118194.24	6471873	95578.37	91427.07	82403.25
6	Out of Above Women Entrepreneurs New	35717217	109659.78	109222.18	78549.09	2988307	26476.69	25160.37	22000.74
7	Entrepreneurs /Accounts	9660059	28229.64	27984.35	21099.67	1825475	38710.34	36206.29	31360.61
8	Minority	5635944	16079.84	16013.22	11184.32	720649	9447.74	9097.62	8190.17
9	PMJDY OD Account	740057	119.25	36.94	102.85	0	0	0	0
10	Mudra card	204296	402.97	372.73	423.49	174534	4067.33	4027.39	3142.94
11	NULM	4279	14.97	13.02	14.43	13095	246.63	218.54	188.69
12	NRLM	10033	40.1	33.2	29.1	166714	3003.07	2267.07	1824.02
13	Other Govt. Sponsored Prog.	332440	931.91	913.23	842.84	213817	4125.42	3717.73	3362.75
14	Skill Certified	0	0	0	0	0	0	0	0
15	Self Certified	0	0	0	0	0	0	0	0
16	Unskilled	0	0	0	0	0	0	0	0

PMMY - Overall Performance report									
Financial Year: 2019-2020									
[Amount Rs. in Crore]									
Sr No	Category	Tarun (Loans from Rs. 5.00 to Rs. 10.00 Lakh)				Total			
		No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt	No Of A/Cs	Sanctioned Amt	Disbursement Amt	Outstanding Amt
1	General	1106869	69619.86	67071.76	58407.42	32497506	223611.28	217685.54	177559.09
2	SC	34119	1271.52	1215.15	1148	10281553	34662.08	34304.56	26247.74
3	ST	27714	879.12	847.83	825.06	3889696	13793.93	13610.19	10560.3
4	OBC	116414	6587.82	6340.01	6265.62	15578851	65428.24	64114.74	52876.46
5	Total	1285116	78358.32	75474.75	66646.09	62247606	337495.53	329715.03	267243.58
6	Out of Above Women Entrepreneurs New	397825	9045.4	8463.68	7891.86	39103349	145181.87	142846.22	108441.69
7	Entrepreneurs /Accounts	428369	32323	30705.44	27359.36	11913903	99262.98	94896.09	79819.64
8	Minority	70523	5395.56	5071.74	4661	6427116	30923.15	30182.58	24035.49
9	PMJDY OD Account	0	0	0	0	740057	119.25	36.94	102.85
10	Mudra card	48009	4152.76	4115.55	3103.22	426839	8623.06	8515.67	6669.66
11	NULM	906	66.16	63.78	57.66	18280	327.76	295.33	260.78
12	NRLM	6334	484.18	465.8	409.43	183081	3527.34	2766.08	2262.55
13	Other Govt. Sponsored Prog.	29986	2366.04	2205.97	1923.13	576243	7423.37	6836.93	6128.72
14	Skill Certified	0	0	0	0	0	0	0	0
15	Self-Certified	0	0	0	0	0	0	0	0
16	Unskilled	0	0	0	0	0	0	0	0

Source: Data compiled from annual reports of MUDRA Scheme (Tables 1, 2, 3, 4 & 5)

In Table 3, we present the PPMY-Overall Performance Report for 2016-17. The majority of enterprises in India, as well as 90% of employment in the non-agricultural sectors, are micro-enterprises. In order to enhance credit flows to the micro enterprise's sector, the government has taken measures to address issues such as a lack of credit, limited market connections, and technology obsolescence. Several policy initiatives have been taken by the Government of India to promote micro-enterprises.

The MSME sector must be maximized in order to achieve the country's aspirations for double-digit growth. A number of proactive measures were also taken by the Reserve Bank of India. Micro enterprise entitled to are to receive 7.5% of bank credit as priority sector loans. Additionally, it included factoring transactions with recourse under priority sector lending by banks which carry out these activities departmentally to increase cash flow. Additionally, factoring transactions that take place on the TReDS platform are also eligible for priority sector classification. In the past few months, SIDBI and NSE have launched a joint electronic platform by the name of RXIL, which has already become operational. This is due to the government's proactive initiatives. Micro enterprises would be strengthened, more vibrant and competitive as a result of the actions of the Government of India and the Reserve Bank of India.

As represented in Table 4, This has been determined in accordance with the MUDRA/RBI as of 31 December 2017 for the first stage units (such as banks, MFIs, and NBFCs). Throughout the program, beneficiaries have been allocated to different accounts under the 'Shishu', 'Kishore', and 'Tarun' accounts. These accounts are for micro-enterprises that qualify for small business loans.

The organization has demonstrated exceptional performance in both financial and social impact parameters during the fiscal year 2018-19: •Revenue from operations increased 70% from 286.08 crore to 484.95 crore in FY 2018-19;

From 535.08 crores to 803.46 crores, total income increased by 50%.

As compared with FY 2016-17, profit after tax increased by 47% to 158.22 crore from 107.84 crore.

There was a significant increase in refinances to banks and non-banking finance companies (NBFCs) in FY 2017-18, and MUDRA achieved its target for the year. Likewise, the disbursement targets for PPMY were met.

As described in Table 5, Among the most important social objectives of MUDRA was to provide credit to underserved sections of society and to allow them to access financial services without requiring collateral and with ease. The data on the number of loans sanctioned at each level and the amount sanctioned and disbursed over the years are listed in the following tables, which contain information about MUDRA beneficiaries belonging to SC, ST, & OBC categories, as well as general beneficiaries.

The number of women who have SHISHU accounts has increased, although most of these accounts fall under the SHISHU category. In 2015-16, MUDRA sanctioned close to Rs 82000 crore for women, which decreased to 80 thousand crore in 2016-17 and reached Rs 1.33 lakh crore in 2018-19. Women applicants have also been disbursed more than Rs 1 lakh crore under Mudra in 2017-18 and 1.29 lakh crore in 2018-19. Each scheme has its own economic goals and targets. Additionally, MUDRA has an economic role to play, including the promotion of credit growth, the formalization of the economy, the encouragement of new businesses to take out loans, and, most importantly, the creation of jobs.

This yojana aligns its intent with the Prime Minister's Make in India initiative as indicated in Table 6. This initiative of the Prime Minister makes a substantial contribution to the overall economy of the country. There are several large-scale industries driving the market, however small-scale industries are gaining larger margins of profit, putting them in a financially stable position and putting the country on the map in terms of industrial development. Government support for small businesses ultimately results in a win for the nation.

Significance of this scheme:

(1) It will significantly boost the self-assurance of young, educated or skilled workers who can now pursue becoming first-generation entrepreneurs.

(2) Existing small enterprises will also have the chance to extend their activities.

(3) Under the scheme, the Centre has ensured credit flow to the SME sector and selected NBFCs as a good match to reach out to them by establishing the MUDRA bank.

(4) People can now refinance subsidized rates, which will be passed on to small and medium-sized businesses. In addition, it would facilitate the expansion of SMB operations.

The MUDRA Initiative must overcome the following challenges:

(1) The unequal distribution of revenues is one of the most persistent problems confronting the Indian economy. Too little capital is distributed to the micro, small, and medium-sized business sector, whereas larger corporations have greater access to cash.

(2) The current capacity of microfinance institutions (MFIs) to assist small businesses is inadequate. Also over-lending to small and medium-sized firms are commercial banks. They avoid exposure to this area because they perceive it to be exceedingly hazardous and devoid of past performance information.

(3) Even organized sector in India, the larger businesses deploy the most capital, generate the most output, and

offer the most employment, wages, and benefits. Moreover, just 2% of the factories covered by the ASI generate net value added (NVA) in excess of Rs.50 crore. They account for seventy-one percent of all nonmilitary civilians, employ twenty-five percent of all factory workers, provide forty percent of all remuneration, and produce fifty percent of all factory output. Small businesses are seldom visible.

(4) When Indian enterprises mature, they fail to hire additional employees. Even as businesses age past 30 years, they do not hire additional personnel. Relative to the quantity of employment at the firm's commencement, the number of employees decreases.

5. Discussion on Description of Growth Rate

Based on this study, it was observed that the number of accounts in all three categories -- Shishu, Kishore, and Tarun -- increased during the period 2015-19. On the same pattern, disbursements of funds through all accounts have also increased. Approximately 1.64 crore loans were sanctioned by public sector banks with an amount of Rs 204.1 crore. As part of the MUDRA scheme, an amount of Rs 8.7 lakh crore has been disbursed to promote the financial inclusion of the common people. In the general category, 8.7 crore accounts are distributed with amounts of 5.69 lakh crore, and in the OBC category, 5.5 crore accounts are distributed with amounts of 1.83 lakh crore. A total of 3.3 crore accounts were reported by the study for the scheduled castes (SC), and 0.9 crore accounts were reported for the scheduled tribe castes (ST). Foundation micro credit. Sidbi (2022) study reveals that 1.04 crore loans in the range of Rs 50,000 to 500,000 were in the Kishore scheme, thus MUDRA scheme lending of a larger size above Rs 5 lakh represents only 1.45% of total disbursements. According to MUDRA Yojana, the average sanctioned loan amount is 46,530 rupees, while the average disbursed amount is 45034 rupees. One of the major missions of the SFMC is to create a network of microfinance institutions throughout the country, particularly for women who are economically disadvantaged. As per Indiatoday (2018), Poor people's lives have been transformed by Mudra Yojana. Economictimes Indiatimes (2019) MLIs have formed the CGFMU with the objective of ensuring repayment in the event of default on micro loans up to Rs 10 lakh extended to eligible borrowers.

6. The Future

Government programs like the Mudra Yojana should be judged on their ability to reduce informal employment, enhance formal employment, and encourage small, medium, and large businesses to expand. The use of objective criteria allows for politically neutral decision-making in this area. That's why it should be a requirement of the loans that business owners start keeping books on their staff, production, revenue, costs, and taxes. The government should also take steps to facilitate the growth of Indian enterprises. The goal of any policy should be to enable individuals to outgrow their initial measurements.

7. Conclusion

As a result of this scheme, the financial inclusion of individuals who are unable to approach commercial banks on a regular basis has been positively impacted. Nevertheless, the number of accounts and disbursement amounts are not in accordance with the requirements of micro and small units. This scheme also improved the life style and socioeconomic conditions of beneficiaries across the country. The beneficiary is empowered to improve his or her lifestyle, educate their children, and establish a self-employment business. Young people who belong to neglected sections of society, such as SC and ST, are given the opportunity to start small businesses under this program. In terms of socioeconomic development, this scheme is a landmark in the lives of semi-skilled and low-educated individuals. People who don't have access to commercial banks but want to start their own businesses can get help.

The program also attracted first-time borrowers because it was easy to use, had low-interest rates, and wasn't collateral required. The growth of micro-units isn't just creating jobs, it's also developing the "Make in India" initiative. It's an apex financing company that provides low-cost credit to young Indian entrepreneurs.

Data Availability

The data used to support the findings of this study are available from the corresponding author upon request.

Conflicts of Interest

The authors declare that they have no conflicts of interest.

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