
A Study on Beneficiaries of Mudra Yojna in Haryana

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Abstract: Financial Inclusion is a process of providing the financial services and products to all, especially to weaker sections of the society in a cost-effective manner. Financial inclusion aims at ensuring a bank account for everyone and facilities such as payment, deposit, credits, transfer of funds, insurance, etc. Financial inclusion is considered to be crucial element for development of society. Mudra Yojna is a step by Indian government to attain financial inclusion. The paper attempts to analyse the usage of mudra Yojna by people in Haryana. No. of people who availed the facility of mudra Yojna in respect of Shishu loans, Kishore and Tarun loans during the year 2016-17 and 2017-18 along with amount sanctioned and disbursed were studied using secondary data. It has been found that the usage has increased in the year 2017-18 which indicates that people are not only aware of the scheme availability but are using it to meet the needs of their business whether start up or expansion

Keywords: Financial Inclusion, PMMY, PMMY Products, Shishu, Kishore, Tarun.

INTRODUCTION

For promoting the small and medium enterprise a scheme launched by the Indian Prime Minister on 8 April 2015. The scheme is Micro Units Developments and Refinance Agency (MUDRA). This scheme offers fund facility to the weaker sanction of the society. MUDRA is established as an entirely owned subsidiary of SIDBI with 100% capital being funded by it at its preliminary stage. At present the authorized capital of MUDRA is 1000 crore and paid up capital is 750 crores wholly subscribed by SIDBI. Pradhan Mantri Mudra Yojna (PMMY) is open and accessible from all bank branches across the country. The Mission of MUDRA is "To create an inclusive, sustainable and value based entrepreneurial culture, in collaboration with our partner institution in achieving economic success and financial security." Under the MUDRA loan facility is provided to commercial units according to their size and stage of business. The financial inclusion main aim is to cover the all section of population under banking services and financial services such as insurance, savings, pension and credit. Government of India (GOI) has introduced some major steps to funding the unfunded micro enterprises segment through a new financial inclusion initiative like Pradhan Mantri Mudra Yojna (PMMY). Among the initiatives taken by GOI in that the major initiative is PMMY plays a major role in achieving of greater financial inclusion in India. Micro unit development and refinance agency do not provide loan directly to the micro entrepreneurs / individuals. These loans under Pradhan Mantri Mudra Yojna (PMMY) could be taken from nearby branch office of bank, NBFC, , MFIs etc. The interested person can also now file online application for MUDRA loans on Mudramitra portal. There are no mediators or middleman engaged by MUDRA for availing of Mudra Loans.

REVIEW OF LITERATURE

Venkatesh J (2015) Performance of Mudra bank showed the total growth and development in MSME sector. The paper focused on importance and the role of MUDRA bank towards the MSME sector. This paper proposed how mudra bank helps MSME sector in their development. All the government initiatives support the entrepreneurs to growth of the business and small scale industry.

Godha Anurodh(2017) concluded that PMMY had been playing a vital role in promotion of financial inclusion. This scheme assistance the weaker section, low income group and unfunded population of the society. This study indicated that how PMMY helps to boost of financial inclusion. This study stated the Performance of PMMY in Rajasthan state.

V N Shiny(2017) showed that mudra boost new entrepreneur to come forward and expand their business in large scale level. The study stated that how micro enterprise can get benefitted from Mudra Yojna. Mudra Yojna attracted many micro enterprises through low lending rates schemes. The financial assistance provided by mudra Yojna encourage more and more entrepreneur to come forward with innovative idea.

Gupta Deepak(2017) recommended that mudra loan can be beneficial to the Micro Enterprising India. This scheme is beneficial to the each and every section to the society or in context to Haryana mudra shows the positive result in comparison to the last year. This paper conferred MUDRA in detail and takes in depth

overview of MUDRA Bank as an initiative of financial inclusion to progress the small business enterprises in Haryana.

Binija George, Dr.J Nalini (2018) studied the role of mudra bank in development of MSME along with type of products or loan provided by the mudra bank. This study main focus is in Kerla. It concluded that how PMMY helps the people of Kerla to provide the all type of mudra loan.

OBJECTIVES OF THE STUDY

- To know about Mudra Product available under PMMY
- To know the change in number of loans sanctioned in Haryana during 2016-17 and 2017-18.
- To know the change in amount sanctioned in Haryana under PMMY during 2016-17 and 2017-18.
- To know the change in amount disbursed in Haryana under PMMY during 2016-17 and 2017-18.

RESEARCH METHODOLOGY

The study is based on secondary data and is descriptive in nature. Economic survey, newspapers and relevant websites have been consulted in order to make the study an effective one, especially PMMY website which we get the valuable date which help in our study. The study attempts to examine the performance and Importance of PMMY in India especially in Haryana.

Mudra products:

There are three type of loan provided under Pradhan. mantra mudra Yojna

Table 1

TYPE OF LOAN PMMY	SHISHU	KISHOR	TARUN
LOAN LIMIT	up to ₹ 50,000	Loan above ₹ 50,000 and up to ₹ 5 lakh	loan above ₹ 5 lakh and up to ₹ 10 lakh
OBJECTIVE OF LOAN	For start up	Loan is required for establishment of business	For growth of the business

How to take Advantage under PMMY(MUDRA) scheme:

MUDRA Loan can be taken by the person or enterprise who generate non farming income. Under this scheme credit below 10 lakh taken by the beneficiaries. MUDRA scheme does not provide loan facility directly to the small and medium enterprises. The borrower can approach directly to following institutions for availing the MUDRA loan facility in their region.

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

MUDRA has reduced its interest rate on refinance to MFIs to 6.85% (from 9.45%) irrespective of rating of MFIs. This will in turn reduce the interest rate charged by MFIs from their clients. Most of the NBFCs/MFIs having eligible loan up to 10 lakh do not enjoy very high credit rating. MUDRA support these primary institutions by subscribing to the ‘Pass Through Certificates’ (PTCs), supported by sufficient cash collateral which substantially enhances the credit rating of these PTCs. To realise the country’s aspirations for double digit growth, it is crucial that the potential of MSME sector is optimally tapped.

Who can take benefit of Pradhan Mantri MUDRA Yojna:

- Service Sector units
- truck operators, Shopkeepers, food-service units, fruits / vegetable vendors,
- small industries, machine operators, repair shops, artisans, food processors and others, in rural and urban areas.
- partnership firms running as small manufacturing units /Non–Corporate Small Business Segment (NCSB) comprising of millions of proprietorships

Performance of PMMY in HARYANA from 2016-18

Table 2

PMMY -Progress of Shishu Loans in Haryana (2016-2018)				
Year	Financial year 2017-18	Financial year 2016-17	Increase/ Decrease	Percentage Change
No of PMMY loan sectioned	660709	652844	INCREASE	1.2%

A/C				
Amount sectioned (Rs. In Crore)	1791.08	1499.67	INCREASE	19%
Amount disbursed (Rs. In Crore)	1757.46	1460.35	INCREASE	20%

Table 2 indicates the performance of Shishu loans in Haryana during 2016-18. Shishu loans have a limit of Rs. 50,000 and it is observed from the above table that number of Shishu loans sectioned in Haryana have increased from 660709 to 652844 which is 19 percentages. the increase in sanctioned amount for such loans is Rs. 291.41 crore in the above said period which comprises a change of 19 percent. Out of Rs. 1499.67 crore sanctioned in the year 2018-19, Rs. 1460.35 crore has been disbursed. All in all, this shows that there is growth in Shishu loans in Haryana and more people have started taking its benefit.

Table 3

PMMY- Progress in Kishore loan (2016-2018) - Haryana (Rs. 50,001 to Rs. 5.00 Lakh)				
Year	Financial year	Financial year	Performance	Percentage
Kishore Loans	2017-18	2016-17		increase
No of PMMY loan sectioned	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 stated that the performance of the Kishore loan under mudra Yojna. the No. of loan sectioned is increase 51407 from last year under this scheme which is 108% of the last year. The amount sectioned increased 102% from the last year 2016-17. The amount disbursed under this scheme is increased 1030.94 crore under this scheme. Kishore loan performance is tremendously increase from the last year.

Table 4

PMMY -Progress in Tarun loan (2016-2018)- Haryana ((Rs. 5 lakhs to Rs. 10 Lakh)				
Year	Financial year	Financial year	Percentage	PERFORMANCE
Tarun loan	2017-18	2016-17	Increase	
No of PMMY loan sectioned	26699	16265	64%	INCREASE
Amount sectioned (Rs. in Crore)	2030.78	1293.04	57%	INCREASE
Amount Disbursed (Rs. in Crore)	1964.31	1244.91	58%	INCREASE

From the table 5 it has been observed that the number of loan sectioned under the Tarun loan is increased. The amount section to the account holder also increased. the amount disburses increased 719.4 crore from the last year 2016-17. the Tarun loan section amount is above 5 lakhs and below 10 lakh. the reason for liking Tarun loan is may be expansion plans of people relating to their business which in turn will create employment opportunities and is better for economic development of the country.

Table 5

PMMY- Progress in total loan (2016-2018)- Haryana (Amount Rs. in Crore)				
Year	Financial year	Financial year	PERCENTAGE	PERFORMANCE
Total loan	2017-18	2016-17	INCREASE	
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 mudra Yojna in state Haryana is in growing stage. The number of account holder increase in 2017-18 in comparison to the 2016-17. The amount sectioned to the beneficiaries also increase in comparison to the 2016-17. The amount disburse to the people also increase in comparison to the last year which is 55% increase from the last year 2016-17.

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

** Note: Information is based upon the data as submitted by different banks to PMMY.

CONCLUSION

It has been concluded from the above mentioned data that, there is tremendous change in the micro finance due to the PMMY. This scheme has been promoting competition among financial institutions to offer finance assistance to minimum income group and unfunded population and weaker section of the society, There is need of lot of efforts to offer more credit and loan sanctioned under the Mudra Yojna. The progressive result shown by the Mudra Yojna in HARYANA. The number of sectioned and disbursement amount is increasing year to

year. The three type of loan which is provided under this schemes shows the tremendous growth. Financial inclusion through PMMY increases the opportunities for credit requirement and refinance. Thus, Pradhan Mantri Mudra Yojna (PMMY) continues to be a major initiative of the Government of India providing credit to millions of unfunded micro units in the country. It has been observed that due to launched Of PARDHANMANTRI MUDRA YOJNA financial inclusion increased in progressive track. If this scheme is implemented properly at the poor people, it will work as game changing financial inclusion initiative of the government of India and it will help to boost the overall growth of the economy.

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