

A Study on Pradhan Mantri Mudra Yojna (PMMY) in India

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Abstract:

The Honorable Prime Minister of India, Shri Narendra Modi, announced the Pradhan Mantri Mudra Yojna on April 8, 2015. Under the Pradhan Mantri Mudra Yojana (PMMY), the Indian government offers small and micro businesses that are not corporations or farms up to Rs. 10 lakh in loans. Nonfarm workers are eligible for loans up to Rs. 10 lakh under PMMY. The performance of Mudra Yojana was the main topic of this study. Secondary sources, including different journals, publications, and MUDRA websites, provided the data for this investigation. The research paper's objectives are to critically assess the Pradhan Mantri Mudra Yojana (PMMY), analyze the performance of several categories under the MUDRA Scheme, and assess the loan approvals granted by financial institutions in various Indian states. The study was examined using secondary sources, including State-by-State Performance, Regional-by-Region Analysis, Agency-by-Achievement, and Support for Under privileged Groups.

Keywords: MUDRA, Micro and Small Enterprises, Performance, PMMY, Shishu, Kishore, Tarun.

Introduction:

The **Pradhan Mantri Mudra Yojana (PMMY)** was launched by the **Honorable Prime Minister of India, Shri Narendra Modi**, on **8th April 2015**. The scheme was introduced to provide **financial assistance** to non-corporate, non-farm small and micro-enterprises. Under this scheme, eligible businesses can avail loans of up to **₹10 lakh** to support their entrepreneurial activities. The **Micro Units Development and Refinance Agency (MUDRA) Bank** is responsible for managing and facilitating these loans. The primary objective of PMMY is to promote self-employment and entrepreneurship among small business owners, traders, artisans, manufacturers, shopkeepers, food vendors, and service providers. The scheme aims to enhance financial inclusion, ensuring that small businesses, which often struggle to secure loans from traditional banks, have access to formal financial support. By providing affordable credit, PMMY helps in reducing dependence on moneylenders, thereby fostering sustainable economic growth. Loans under PMMY are classified into three categories based on the amount required and the stage of business development. The Shishu category provides loans of up to ₹50,000, primarily for startups and new businesses. The Kishore category covers loans between ₹50,000 and ₹5,00,000, intended for growing businesses. The Tarun category offers loans ranging from ₹5,00,000 to ₹10,00,000, aimed at well-established businesses looking for expansion. This classification ensures that businesses receive appropriate financial support based on their size and stage of growth. One of the key features of

PMMY is that loans are collateral-free, meaning borrowers do not have to provide any security or guarantee. The loans are disbursed through various financial institutions, including Public Sector Banks (PSBs), Private Sector Banks, Regional Rural Banks (RRBs), Non-Banking Financial Companies (NBFCs), Micro Finance Institutions (MFIs), Co-operative Banks, and Foreign Banks. This widespread availability ensures that businesses in both urban and rural areas can access the benefits of the scheme. The Pradhan Mantri Mudra Yojana has significantly contributed to job creation and economic development in India. It has encouraged women entrepreneurs by offering them special incentives and lower interest rates. Additionally, the scheme supports the MSME (Micro, Small & Medium Enterprises) sector, which plays a crucial role in India's economic growth. The flexible repayment structure of the loans, with tenures ranging from 3 to 5 years, allows businesses to repay without excessive financial burden.

Despite its success, PMMY faces some challenges, such as high default rates, lack of awareness among small business owners, and misuse of loans for personal expenses instead of business needs. Additionally, some entrepreneurs find the ₹10 lakh loan limit insufficient for medium-sized businesses. To address these issues, the government and financial institutions need to focus on better monitoring, awareness campaigns, and proper loan utilization guidance.

Loan Categories Under PMMY

PMMY offers loans under **three categories** based on business needs:

| Category | Loan Amount | Purpose |
|----------|------------------------|---|
| Shishu | Up to ₹50,000 | For startups, very small businesses, and initial setup costs. |
| Kishore | ₹50,000 – ₹5,00,000 | For business expansion, working capital, and operational costs. |
| Tarun | ₹5,00,000 – ₹10,00,000 | For scaling up businesses, purchasing equipment, and further development. |

Institutions Providing Loans Under PMMY

Loans under the MUDRA scheme are provided by:

1. **Public Sector Banks (PSBs)** – e.g., SBI, PNB, Bank of Baroda
2. **Private Sector Banks** – e.g., HDFC, ICICI, Axis Bank
3. **Regional Rural Banks (RRBs)** – e.g., Prathama UP Gramin Bank, Karnataka Vikas Grameena Bank
4. **Non-Banking Financial Companies (NBFCs)**
5. **Micro Finance Institutions (MFIs)**
6. **State and Urban Co-operative Banks**
7. **Foreign Banks operating in India**

These financial institutions ensure that **small businesses** across urban and rural areas have access to credit.

Application Process for PMMY

Applying for a MUDRA loan is simple and involves the following steps:

Step 1: Choose the Right Loan Category

Select from **Shishu, Kishore, or Tarun** based on business requirements.

Step 2: Approach a Lending Institution

Visit any public/private bank, NBFC, or microfinance institution offering PMMY loans.

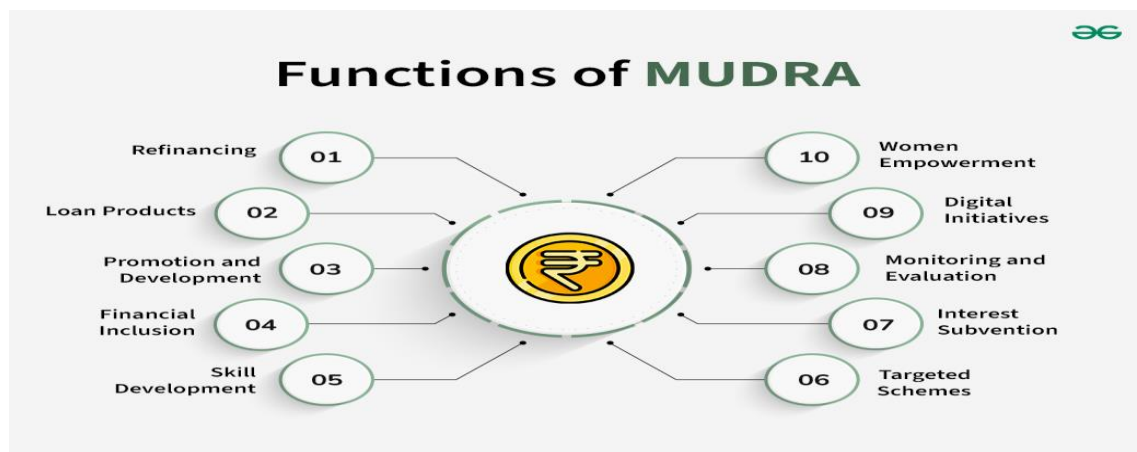
Step 3: Submit Required Documents

The applicant must provide:

- **Identity proof** (Aadhar Card, PAN Card, Voter ID)
- **Address proof** (Electricity bill, Passport, Ration Card)
- **Business proof** (Registration certificate, Shop establishment certificate, GST registration)
- **Bank account details**
- **Income tax returns (if applicable)**
- **Loan application form** with business details

Step 4: Loan Processing & Approval

- The bank will verify the documents, evaluate the business model, and approve the loan accordingly.
- Once approved, the loan amount is disbursed directly to the applicant's bank account.



Review of Literature

- Soni, (2019) The research paper is an effort to understand the MUDRA: Development of Micro Units and refinancing agency. The main objective of this paper is to understand the Mudra scheme, its need and the legal structure required to benefit from it. To examine the Government's recommended solutions for the successful completion of this project. This research is of descriptive in nature as well as secondary data has been used from which the website has been taken from newspapers government website, publication and reports by institutes. The author eventually concluded that the currency would create new confidence in small-scale enterprises and encourage young, educated, or skilled people to scale up their operations. Also, MUDRA Yojana has an important contribution in women empowerment.
- Agarwal and Dwivedi, (2020) The study analyzed that Pradhan Mantri Mudra Yojana PMMY, and analysis the performance of scheme based on state, caste and category. The author has also described the Features and SWOT analysis of PMMY. The growth rate of Union Territories like the A&N Islands and Lakshadweep is negative and not satisfactory on a state-by-state basis. while Assam and Tripura have the highest growth rate. According to the author, the PMMY scheme is a commendable step taken by the government where weaker section and low income section have helped a lot.

- Manish Agarwal and Ritesh Dwivedi (2021) critically reviewed the performance of PMMY. State-wise analysis of data concluded that Rajasthan and West Bengal have shown greater success in the benefits received under the scheme. Also women entrepreneurs are ahead in the share of loan disbursement compared to other categories.
- P.A.Ibrahim (2023) conducted a study to assess the performance of MUDRA scheme region-wise, categorywise as well agency wise. The scheme has widely reached among women entrepreneurs and new entrepreneurs. Northern states have participated less in availing benefits under the scheme compared to other regions. Also, Shishu category performed better than other categories of the scheme and private sector banks have outperformed the loan sanction and disbursement process.
- **Dr. Anita Devi (2023): "Pradhan Mantri MUDRA Yojana: A Critical Analysis"** Dr. Devi's study provides a comprehensive evaluation of PMMY's performance up to March 2021. The research underscores the scheme's success in offering financial assistance to over 30 crore beneficiaries, significantly contributing to the growth of the MSME sector. Notably, it highlights that 70% of the loans were sanctioned to women-owned enterprises, emphasizing PMMY's role in promoting women's entrepreneurship. The paper also includes a SWOT analysis, identifying strengths, weaknesses, opportunities, and threats associated with the scheme
- **Ajay Gautam (2020): "Prime Minister Mudra Yojana and Economic Development of India"** Gautam's research delves into the potential of PMMY to stimulate economic growth by supporting micro and small entrepreneurs, particularly in rural areas. The study discusses how the scheme facilitates financial inclusion for underprivileged sections, including women entrepreneurs, micro manufacturers, artisans, and tradesmen. It emphasizes PMMY's role in fostering a new generation of entrepreneurs and its contribution to the broader economic development of the country.
- **Seema Rathee and Deepanshi Aggarwal (2024): "Examining the Interrelation Between Microcredit, Entrepreneurship and Women's Empowerment: An Insight into the Effectiveness of Pradhan Mantri Mudra Yojana (PMMY)"** This study investigates the relationship between microcredit, entrepreneurship, and women's empowerment within the context of PMMY. Based on data collected from 360 women respondents across Haryana between July 2023 and March 2024, the research employs logit and ologit regression models. Findings reveal a positive correlation between microcredit access and various dimensions of women's empowerment—economic, social, political, and psychological. The study also notes a significant improvement in the well-being of women post-Mudra loan, highlighting the scheme's effectiveness in job creation and empowerment.

Objectives of the Study

- To study the Pradhan Mantri Mudra Yojana (PMMY)
- To analyze the performance of different Category under MUDRA Scheme
- To study the performance of Pradhan Mantri Mudra Yojana (PMMY) of top 10 state in India

Research Methodology

Research Design

The research study is descriptive in nature. This study focused on agency-wise, state-wise, regional-wise, category-wise during the financial year 2023-24. The study also focused on the amount sanctioned and disbursed and the maintenance of the accounts under Mudra Yojna for the financial year 2023-24.

Data collection

The data collected from various secondary sources like annual reports, government websites, newspapers, journals, articles, books, mudra website.

Data Analysis and Interpretation

Performance of Pradhan Mantri Mudra Yojana (PMMY) in India. The data analysed on the basis of agency, banks and social status during the financial year 2023-24.. And the performance of the Pradhan Mantri Mudra Yojana (PMMY) for the top 10 states in India. Agency wise Achievement The target set by the Government of India under PMMY for the year 2023-24. was 3.50 lakh crore which was distributed across various lending institutions banks, MFIs and NBFCs based on their outreach and presence in various parts of the country. The category-wise performance against their overall targets for the year 2023-24. is as under:

Table 1: Institution wise performance

| Category | Target (2023-2024) | SanctionAmt. (2023-2024) | SanctionAmt. (2022-23) | Growth |
|--|-----------------------|-----------------------------|---------------------------|-------------|
| Public Sector Banks (incl. Regional Rural Banks) | 1,28,500 | 1,29,915 | 1,17,729 | 10% |
| | | (101%) | | |
| Private Sector Banks (incl.Foreign Banks) | 91,700 | 93,613.20 | 91,780 | 2% |
| | | (102%) | | |
| Small Finance Banks | 29,800 | 19,646.68 | 29,501 | (33%) |
| | | (66%) | | |
| Micro Finance Institutions | 59,200 | 46,601.40 | 57,967 | (20%) |
| | | (79%) | | |
| Non-Banking Finance Companies | 40,800 | 31,983.17 | 40,518 | (21%) |
| | | (78%) | | |
| Total | 3,50,000 | 3,21,759 | 3,37,495 | (5%) |
| | | (92%) | | |

Source: Annual Report

The total target for the financial year (2023-2024) was Target Rs. 3.50 lakh crore, the sanction amount 3,21,759 with growth rate of (5%) of which Public Sector Banks (incl. Regional Rural Banks) target was 1,28,500, Private Sector Banks (incl. Foreign Banks) was 91,700, Small Finance Banks was 29,800, Micro Finance Institutions 59,200, Non-Banking Finance Companies was 40,800. Sanction Amount for the financial year (2023-2024) for Public Sector Banks (incl. Regional Rural Banks) was 1,29,915 with growth rate of 10%, Private Sector Banks (incl. Foreign Banks) was 93,613.20 with growth rate of 2%, Small Finance Banks was 19,646.68 with growth rate of (33%), Micro Finance Institutions was 46,601.40 with growth rate of (20%), Non-Banking Finance Companies was 31,983.17 with growth rate of (21%).

State wise Performance

Table 2: Performance of top 10 states

| Name of the state | Sanction Amt. (2023-24) | Sanction Amt. (2022-23) |
|-------------------|----------------------------|----------------------------|
| Karnataka | 30,199.18 | 30,188 |
| West Bengal | 29,335.98 | 26,790 |
| Uttar Pradesh | 29,231.35 | 30,949 |
| Tamil Nadu | 28,967.97 | 35,017 |
| Bihar | 25,589.31 | 27,442 |
| Maharashtra | 25,208.63 | 27,903 |
| Rajasthan | 18,571.38 | 19,662 |
| Madhya Pradesh | 18,474.24 | 19,060 |
| Odisha | 15,328.63 | 15,419 |
| Andhra Pradesh | 12,028.33 | 10,439.93 |
| Total | 2,32,935 | 2,42,869.93 |

Source: Annual Reports

The table presents the performance of the top 10 states in terms of the sanctioned amount under a specific financial scheme for the years 2022-23 and 2023-24. Here's a detailed breakdown:

Key Observations from the Table:

1. Overall Decline in Sanctioned Amounts:

- The total sanctioned amount for the top 10 states in 2023-24 is **₹2,32,935 crore**, compared to **₹2,42,869.93 crore** in 2022-23, showing a decline of **₹9,934.93 crore**.
- This suggests a decrease in financial allocations or approvals in the current financial year.

2. Top-Performing States:

- Karnataka** received the highest sanctioned amount in 2023-24 at **₹30,199.18 crore**, showing a slight increase from the previous year (**₹30,188 crore**).
- West Bengal** saw a significant increase from **₹26,790 crore** to **₹29,335.98 crore**, indicating improved performance.
- Uttar Pradesh**, despite being one of the top states, experienced a drop from **₹30,949 crore** to **₹29,231.35 crore**.

3. Decline in Major States:

- Tamil Nadu** saw a substantial drop in sanction amount from **₹35,017 crore** to **₹28,967.97 crore**, which might indicate stricter financial regulations or fewer loan disbursements.
- Bihar, Maharashtra, Rajasthan, and Madhya Pradesh** also faced a decline in sanctioned amounts, showing possible reductions in financial support or economic slowdowns.

4. States with Improvement:

- Andhra Pradesh** showed a notable increase from **₹10,439.93 crore** to **₹12,028.33 crore**, indicating better credit disbursement.
- West Bengal** also performed well with an increase of about **₹2,545.98 crore**.

Possible Reasons for Changes in Sanctioned Amounts:

- **Policy Adjustments:** Changes in government financial policies and regulations might have affected the credit flow.
- **Economic Conditions:** States facing economic slowdown or lower credit demand might have seen reduced sanction amounts.
- **Performance of Financial Institutions:** Banks and NBFCs operating in different states may have different lending strategies, impacting sanctioned amounts.

Regional analysis

The region wise performance of Targets vs. Achievements divided into five regions based on their geography and the distribution of PMMY loans sanctioned during the year has been analyzed and given below:

Table 3: Performance based on Region

| FY | (2023-24) | | (2022-23) | | |
|--------------|--------------------|----------------------------|--------------------|----------------------------|-------------------------------|
| Region | No of A/Cs | Sanction Amount (in crore) | No of A/Cs | Sanction Amount (in crore) | Growth in Sanction Amount (%) |
| North | 1,04,05,478 | 78,555 | 1,24,56,705 | 82,045 | (4%) |
| | (21%) | (24%) | (20%) | (25%) | |
| East | 1,70,88,159 | 85,472 | 1,95,89,404 | 84,574 | 1% |
| | (34%) | (27%) | (31%) | (25%) | |
| NorthEast | 16,81,086 | 11,511 | 22,78,699 | 10,824 | 6% |
| | (3%) | (4%) | (4%) | (3%) | |
| South | 1,30,83,599 | 90,325 | 1,74,54,720 | 98,767 | (9%) |
| | (26%) | (28%) | (28%) | (29%) | |
| West | 84,76,724 | 55,897 | 1,04,68,078 | 61,285 | (9%) |
| | (17%) | (17%) | (17%) | (18%) | |
| Total | 5,07,35,046 | 3,21,722 | 6,22,47,606 | 3,37,495 | (5%) |
| | | | | | |

Source: Annual Reports

The regional analysis of the **Pradhan Mantri Mudra Yojana (PMMY) loan performance** for the financial years **2023-24 and 2022-23** highlights a decline in both the number of loan accounts and the total sanctioned amount. The total number of sanctioned accounts dropped from **6.22 crore in 2022-23** to **5.07 crore in 2023-24**, while the sanctioned loan amount decreased from **₹3,37,495 crore to ₹3,21,722 crore**, reflecting a **5% decline**. This decline could be attributed to factors such as **stricter credit approval norms, lower demand for loans, economic slowdown in certain regions, or a shift in banking policies**.

Regional Performance Breakdown

1. North Region (Decline of 4%)

The **North region**, which includes major states like **Uttar Pradesh, Punjab, Haryana, and Rajasthan**, experienced a **decline of 4%** in the sanctioned loan amount, dropping from **₹82,045 crore in 2022-23 to ₹78,555 crore in 2023-24**. The number of loan accounts also reduced from **1.24 crore to 1.04 crore**. While this region continues to contribute significantly to the overall loan disbursement (holding **24% of total sanctioned loans** in 2023-24), the decline suggests reduced credit demand from small businesses or stricter lending criteria by financial institutions.

2. East Region (Growth of 1%)

The **East region**, comprising states like **West Bengal, Bihar, Odisha, and Jharkhand**, was one of the **only two regions to show growth**. The sanctioned loan amount increased by **1%**, rising from **₹84,574 crore in 2022-23 to ₹85,472 crore in 2023-24**. However, the number of accounts decreased from **1.95 crore to 1.70 crore**, indicating that while fewer loans were sanctioned, higher loan amounts were approved per borrower. This suggests **strong financial inclusion efforts in states like West Bengal and Bihar**, where small businesses and entrepreneurs are increasingly benefiting from PMMY loans.

3. North-East Region (Highest Growth of 6%)

The **North-East region**, covering states like **Assam, Arunachal Pradesh, Manipur, and Meghalaya**, recorded the **highest growth in sanctioned loan amount at 6%**. The amount increased from **₹10,824 crore in 2022-23 to ₹11,511 crore in 2023-24**, despite the number of loan accounts decreasing from **22.78 lakh to 16.81 lakh**. This indicates that financial institutions in this region are focusing on **larger loans to fewer borrowers**, likely supporting more stable and sustainable businesses. The increasing participation of government schemes in rural and semi-urban areas may have contributed to this positive trend.

4. South Region (Decline of 9%)

The **South region**, including **Tamil Nadu, Karnataka, Kerala, and Andhra Pradesh**, witnessed a **significant decline of 9%** in the sanctioned loan amount, dropping from **₹98,767 crore in 2022-23 to ₹90,325 crore in 2023-24**. The number of loan accounts also saw a sharp decline from **1.74 crore to 1.30 crore**. This drop can be attributed to **reduced demand for microfinance loans, changes in lending strategies, or economic challenges affecting small businesses** in the region. Notably, **Tamil Nadu and Karnataka**, which were previously among the highest loan recipients, experienced notable reductions in their sanctioned amounts.

5. West Region (Decline of 9%)

Similar to the South, the **West region**, including **Maharashtra, Gujarat, and Rajasthan**, saw a **9% decline in loan sanctions**, with the amount dropping from **₹61,285 crore in 2022-23 to ₹55,897 crore in 2023-24**. The number of loan accounts also fell from **1.04 crore to 84.76 lakh**, indicating a slowdown in credit disbursement. **Maharashtra and Gujarat**, which are key industrial states, might have seen a reduction in loan demand due to **economic uncertainty or shifting lending preferences towards larger businesses instead of micro and small enterprises**.

Key Observation

Overall Decline in Loan Disbursement: The total sanctioned amount fell by **₹15,773 crore**, marking a **5% decrease**, indicating either reduced demand or stricter lending policies.

1. North-East Region Performed the Best: With a 6% growth, this region is experiencing strong financial inclusion and credit accessibility.
2. East Region Also Showed Positive Growth: A 1% increase in sanctioned loan amounts suggests improved credit flow in states like West Bengal and Bihar.
3. South and West Regions Faced the Largest Decline: Both experienced a 9% drop, highlighting possible economic challenges or reduced credit demand.
4. North Region Showed a Moderate Decline: A 4% decrease suggests a slight contraction in credit availability.

The **regional disparity in PMMY loan performance** indicates that while some regions, like the **North-East and East**, have continued to grow due to improved financial inclusion, other regions, particularly the **South and West**, have seen a sharp decline. This decline may require **targeted policy interventions** to restore credit flow, ensure financial stability, and provide greater support to small businesses and entrepreneurs. Additionally, **the reduction in the total number of loan accounts** suggests that financial institutions are **focusing on larger loans to fewer borrowers**, potentially shifting away from microfinance-style lending. Addressing these trends will be crucial in maintaining the effectiveness of PMMY and supporting economic growth at the grassroots level.

Loan Category Analysis

Mudra loans are extended in three categories based on the size of the loans. They are Shishu (up to 50,000), Kishore (above 50,000 and up to 5 lakh) and Tarun (Above 5 lakh and upto 10 lakh). The share of the three categories of PMMY has been analyzed and is given below in the table:

Assistance to less privileged sections

PMMY, since its simple mentation, has focused on providing incremental funding support to the weaker sections of the society. The share of subcategories of borrowers like SC, ST, OBC, Women and Minorities under different categories of PMMY loans was analyzed and details of the same are given below.

| Category | SHISHU | | KISHOR | | TARUN | | TOTAL | |
|--------------|--------------------|-----------------|------------------|-----------------|------------------|---------------|--------------------|-----------------|
| | No.ofA/c | Amount | No.ofA/c | Amount | No.ofA/c | Amount | No.ofA/c | Amount |
| General | 1,91,09,271 | 52,164 | 58,33,669 | 94,426 | 9,21,759 | 69,353 | 2,58,64,699 | 2,15,942 |
| | | | | | | | (51%) | (67%) |
| SC | 73,34,828 | 19,714 | 10,38,947 | 9,430 | 24,642 | 1,680 | 83,98,417 | 30,824 |
| | | | | | | | (17%) | (10%) |
| ST | 26,62,727 | 7,218 | 4,43,598 | 4,344 | 16,957 | 1,168 | 31,23,282 | 12,730 |
| | | | | | | | (6%) | (4%) |
| OBC | 1,10,73,289 | 30,857 | 21,69,946 | 24,317 | 1,05,413 | 7,089 | 1,33,48,648 | 62,263 |
| | | | | | | | (26%) | (19%) |
| Total | 4,01,80,115 | 1,09,953 | 94,86,160 | 1,32,516 | 10,68,771 | 79,290 | 5,07,35,046 | 3,21,759 |

| | | | | | | | | |
|-------------------------|-------------|--------|-----------|--------|----------|--------|-------------|----------|
| | | | | | | | | |
| Out of the above: Women | 2,77,53,288 | 74,490 | 54,68,211 | 50,731 | 82,105 | 6,082 | 3,33,03,604 | 1,31,303 |
| | | | | | | | (66%) | (41%) |
| New Entrepreneur | 56,18,675 | 13,439 | 16,54,007 | 34,562 | 4,67,899 | 35,336 | 77,40,581 | 83,337 |
| Accounts | | | | | | | (15%) | (26%) |
| Minorities | 28,83,587 | 8,004 | 12,38,860 | 15,260 | 49,614 | 3,653 | 41,72,061 | 26,917 |
| | | | | | | | (8%) | (8%) |

Table 4: Sub-Categories of borrowers: Sanctions(FY2023-24)

The PMMY loan distribution for FY 2023-24 highlights a strong focus on financial inclusion, with 5.07 crore accounts sanctioned for ₹3,21,759 crore. The General category received the largest share (51% of accounts, 67% of total amount), followed by OBC (26% accounts, 19% amount), SC (17% accounts, 10% amount), and ST (6% accounts, 4% amount).

Women borrowers formed the largest sub-group, securing 66% of accounts and 41% of the total sanctioned amount. New entrepreneurs accounted for 15% of accounts and 26% of the amount, while Minorities received 8% of both accounts and the total sanctioned amount.

The data reflects PMMY's success in empowering weaker sections, though SC, ST, and OBC borrowers mainly access smaller-ticket loans. Continued policy support is needed to expand credit access for marginalized entrepreneurs and promote larger business funding.

Conclusion

The **Pradhan Mantri Mudra Yojana (PMMY) for FY 2023-24** has been analyzed across various aspects, including loan categories, regional performance, top-performing states, and borrower subcategories. The scheme continues to play a crucial role in **financial inclusion**, providing easy access to credit for micro and small entrepreneurs, with a particular focus on women, SC, ST, OBC, and minority borrowers. The loan distribution under PMMY is divided into three categories—**Shishu (up to ₹50,000)**, **Kishor (₹50,000 to ₹5 lakh)**, and **Tarun (₹5 lakh to ₹10 lakh)**—with the Shishu category having the highest number of accounts, indicating its popularity among small business startups.

In terms of regional performance, the loans were distributed across **five regions—North, East, North-East, South, and West**—with a total **target of ₹3.50 lakh crore** for FY 2023-24. However, the actual **sanctioned amount stood at ₹3,21,759 crore, reflecting a 5% decline from the target**. While the **North-East region witnessed the highest growth (6%)**, the **South and West regions saw a 9% decline**, indicating challenges in loan disbursement, possibly due to reduced demand or changes in lending policies. Among the **top 10 states in loan A** a key highlight of the analysis is the **high participation of women borrowers, who received 41% of the total sanctioned amount**. In the **Shishu category, 66% of accounts belonged to women, receiving 69% of the total amount sanctioned in this category**, primarily due to the role of **Microfinance Institutions (MFIs) focusing on lending to women entrepreneurs**. The **SC, ST, and OBC communities together accounted for 49% of total**

loan accounts, but their share in the **total sanctioned amount remained lower**, indicating that most of their loans were **small-ticket loans under the Shishu category**. **New entrepreneurs received ₹83,337 crore, contributing 15% of total accounts and 26% of the total sanctioned amount**, showcasing the scheme's impact on fostering startup growth. Minority borrowers accounted for **8% of total accounts and 8% of the sanctioned amount**, reflecting an even distribution of credit among different social groups.

Overall, while **PMMY has successfully promoted entrepreneurship, particularly among women and marginalized communities**, the **5% shortfall in achieving the financial target suggests certain challenges** in loan disbursement. Factors such as **economic uncertainty, policy changes, and reduced credit demand** may have influenced this outcome. The **regional disparities in loan sanctions highlight the need for targeted policy interventions** to ensure **equitable access to credit across different states and economic groups**. Moving forward, **greater emphasis on expanding Kishor and Tarun category loans, increasing credit access for SC/ST entrepreneurs, and strengthening financial literacy programs** could further enhance PMMY's role in driving inclusive economic growth and self-employment opportunities in India. **n sanctions, Karnataka ranked first, followed by West Bengal and Uttar Pradesh, whereas states like Tamil Nadu, Maharashtra, and Bihar saw a decline in their sanctioned amounts.**

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