

# Comparative Analysis of the Performance of PMMY in Jharkhand and Top Ten States in India

Dr. Neelu Kumari,  
Assistant Professor, Department of Economics, Ranchi  
University, Ranchi – 834001, Jharkhand, India

Nimisha Sinha,  
Research Scholar, Department of Economics, Ranchi  
University, Ranchi – 834001, Jharkhand, India

**Abstract:-** Saving and investment are important aspects in the development of any economy and are much needed for the capital formation of the economy which is an important aspect in developing countries like India. For generating income creation of employment opportunities and self-employment is very important. For this, microfinance plays a key role in starting new businesses or small businesses. People still borrow loans from the unorganized sector at a very high-interest rate. To fulfill the need for finance, the Govt. of India launched Financial inclusion through Pradhan Mantri Mudra Yojana (PMMY) which would be instrumental to bring economic change to society. MUDRA is the 'Micro Unit Development and Refinance Agency'. Mudra yojana is a measure taken by the Government of India to boost the financial condition of micro small and medium enterprises (MSME). The financial initiative taken by the Govt. in the form of the MUDRA scheme will facilitate the MSMEs and will be able to provide credits and funds to the unfunded to develop their small businesses. The paper throws light on the performance of the Scheme in India and also brings out the comparative performance of the Mudra Yojana in Jharkhand with other top ten states like Tamil Nadu,

Karnataka, Odisha, Uttarakhand for three financial years from 2015-16, 2018-19, and 2021-22. The analysis concludes that people are getting encouraged to develop entrepreneurship by taking initiative to start their work. It reveals that the performance of the MUDRA yojana is successful under Shishu, Kishor, and Tarun Categories.

**Keywords:-** Financial-Inclusion, Micro-Unit, Income Generation, Self-Employment, Entrepreneurship, Investment.

## I. INTRODUCTION

The biggest obstacle faced by micro-entrepreneurs was the credit from the formal sectors. To overcome this, the Government of India through the financial inclusion initiated the MUDRA Yojana in 2015 to provide funds to the unfunded people. Under this, there are various categories for Mudra loans.

Mudra Yojana provides loans to the unfunded to start their own business and also for the expansion of the existing one up to Rs. 10,00,000. Following are the features of the Mudra Yojana.



Fig 1 Pradhan Mantri Mudra Yojana

### ➤ Objectives of the Study:

- To analyze PMMY in India.
- To analyze the performance of PMMY in Jharkhand as compared to the top ten states of India from 2015-16 to 2021-22.

## II. LITERATURE REVIEW

### ➤ *Chandra (2015)<sup>1</sup>:*

Studied the impact of the MUDRA yojana on the Indian economy. The study has focused that the PMMY scheme not only caters to the financial problems of MSMEs but also provides moral support to the vast population to fulfill their dreams as an entrepreneur. The author also revealed that the Mudra scheme is established to attain development in an inclusively and sustainably manner by supporting and promoting partner institutions and creating an ecosystem of growth for the micro-entrepreneurs.

### ➤ *Soni (2016)<sup>2</sup>:*

Studied the legal framework required to avail benefits of the Pradhan Mantri Mudra Yojana. The study found that MUDRA Yojana as per the key objectives to fund the unfunded can stand with other initiatives like Startup India, Make in India, and Standup India campaign. They also studied that PMMY is very important to the financially weaker section of society.

### ➤ *Kumar (2017)<sup>3</sup>:*

Studied that the major challenge to the growth of micro-entrepreneurs is the lack of financial support for this sector. This sector does lack access to a formal source of funding. In India, small business units play a crucial role in contributing to the GDP of the country and also employ a large population. The Government of India launched the PMMY scheme to provide financial support to Small entrepreneurs.

### ➤ *George and Nalini (2018)<sup>4</sup>:*

Studied the role played by the MUDRA Bank in the growth and development of MSMEs. The study also analyses the performances of MUDRA bank in Kerala and found that the MUDRA bank was successful in the delivery of PMMY loans and disbursement of the amount without much delay.

### ➤ *Mahajan (2018)<sup>5</sup>:*

Studied the impact and performance of the MUDRA Yojana on micro-enterprises and self-employed people. To analyze the data collected from the secondary sources descriptive tools were used. Region-wise analysis of PMMY made for all the regions shows that all the regions have received wide coverage of Mmudra Yojana.

### ➤ *V. Poornima (2019)<sup>6</sup>:*

Found that the MUDRA scheme assisting not only existing and aspiring micro enterprises but also women entrepreneurs. by providing support Mudra scheme is promoting micro and small enterprises in boosting the country's economy, since the role of these enterprises is very crucial in employment generation, GDP, and export. However, PMMY is a game changer indeed.

### ➤ *Annapurna Sahoo (2020)<sup>7</sup>:*

Analyzed that Mudra yojana, an initiative of the Government of India, has launched to provide financial support to economically weaker entrepreneurs who are not able to provide any collateral security. The purpose of this scheme is inclusive and sustainable development by promoting and supporting the micro-enterprise. The study found that the objectives for which Mudra has been achieved to a great extent. The PMMY scheme helped every year to many households with their livelihood.

### ➤ *Simmi Vashishtha (2021)<sup>8</sup>:*

Found that in India, Small enterprise plays a crucial role in the growth of an economy and also contributes to the progress of the economy by employing a large population. Though, micro-enterprises in India face the problem of funds for starting new businesses and for the expansion of existing businesses. Thus, the PMMY scheme has been a great initiative for uplifting these micro units with the aim of "funding the unfunded". MUDRA has benefitted every section of society and provides financial assistance to Micro, Small, and Medium Enterprises. MUDRA has proved to be a game changer for people across the country.

### ➤ *Performance of Mudra Yojana Top 10 States in India (for the Fy 2015-16, 2018-19 & 2021-22:)*

Table 1 Accounts Opened Under Mudra Yojana for Shishu Category

Jharkhand Vs. Top 10 performing States				
Shishu (Accounts Opened in %)				
States	2015-16	2018-19	2021-22	Trend
Bihar	7.13%	9.93%	13.02%	▲
Jharkhand	2.56%	2.66%	3.45%	▲
Karnataka	12.82%	9.72%	7.94%	▼
Madhya Pradesh	7.43%	6.94%	6.16%	▼
Maharashtra	10.30%	8.37%	7.92%	▼
Odisha	7.04%	6.92%	7.55%	▲
Rajasthan	3.30%	2.78%	4.86%	▲
Tamil Nadu	13.91%	13.70%	11.19%	▼
Uttar Pradesh	9.72%	8.43%	11.01%	▲
West Bengal	7.68%	12.10%	9.28%	▲

Source: www.mudra.org

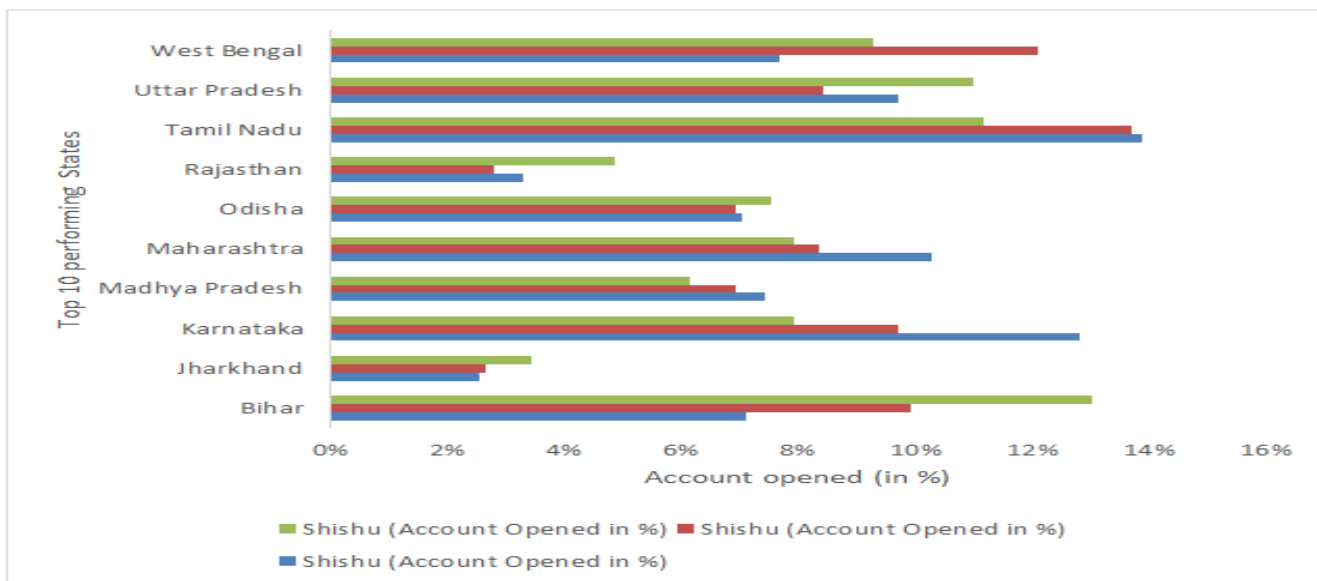


Fig 2 Accounts Opened under Shishu category (in %)

The above table and figure show the top ten states of India which were highly benefited by the PMMY MUDRA Schemes for the FY 2015-16, 2018-19, and 2021-22 under the Shishu Category in terms of the percentage of accounts opened. Jharkhand, West Bengal, Tamil Nadu Odisha, Rajasthan, Bihar, Uttar Pradesh, and Maharashtra are the

states where the percentage of Accounts under the Shishu category is continuously increasing for the given financial years. Whereas the percentage of Accounts for the states Karnataka, Madhya Pradesh, Maharashtra, and Tamilnadu are continuously decreasing for the past three financial years.

Table 2 Amounts Disbursed Under Mudra Yojana for Shishu Category

Jharkhand Vs. Top 10 performing States				
Shishu (AmountS Disbursed in %)				
States	2015-16	2018-19	2021-22	Trend
Bihar	6.63%	9.81%	13.76%	▲
Gujarat	3.50%	2.89%	2.96%	▼
Karnataka	14.63%	9.74%	7.81%	▼
Madhya Pradesh	7.43%	6.48%	5.89%	▼
Maharashtra	10.67%	8.24%	7.51%	▼
Odisha	6.05%	6.18%	7.13%	▲
Rajasthan	3.23%	2.84%	4.95%	▲
Tamil Nadu	13.27%	12.99%	13.40%	▲
Uttar Pradesh	9.43%	8.05%	10.18%	▲
Jharkhand	2.44%	2.54%	3.27%	▲

Source: www.mudra.org.in

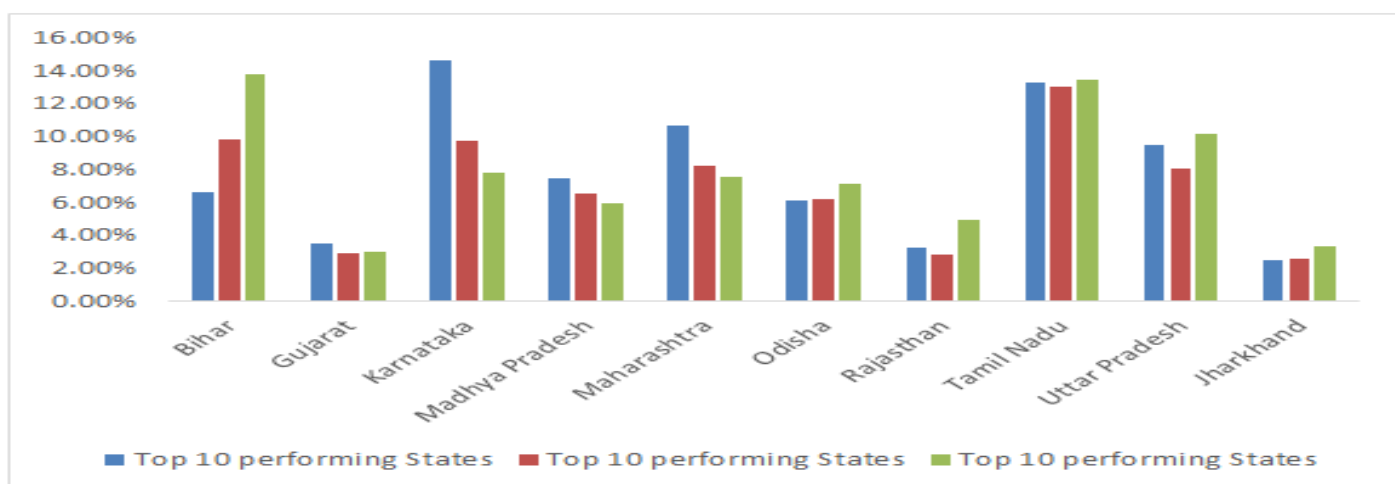


Fig 3 Amounts disbursed Under Shishu Category (in %)

The above table and figure show the top ten states of India which were highly benefited by the PMMY MUDRA Schemes for the FY 2015-16, 2018-19, and 2021-22 under the Shishu Category in terms of Amount Disbursed. The highest amount disbursed under Shishu Category was to Tamil Nadu for the three financial years 13.27% in 2015-16, 12.99% in 2018-19, and 13.40% in 2021-22 followed by Bihar which has amounts disbursed for the given financial year 6.63% in 2015-16, 9.81% in 2018-19 & 13.76% in

2021-22. Whereas the amount disbursed in Jharkhand under this category is also rising and it is 2.44%, 2.54%, and 3.27% for the FY 2015-16, 2018-19, and 2021-21. The percentage of disbursed amount is continuously increasing for Bihar, Odhisa, Rajasthan, Tamilnadu, Uttar Pradesh, and Jharkhand, whereas there is a decrease in the disbursed amount for Gujrat, Karnataka, Madhya Pradesh, and Maharashtra states.

Table 3 Accounts Opened Under Mudra Yojana for Kishore Category

<b>Jharkhand Vs. Top 10 performing States</b>				
<b>Kishore (Accounts Opened in %) Kishore Category</b>				
<b>States</b>	<b>2015-16</b>	<b>2018-19</b>	<b>2021-22</b>	<b>Trend</b>
Andhra Pradesh	7.99%	7.59%	2.69%	▼
Bihar	6.23%	4.37%	10.84%	▲
Karnataka	12.79%	12.47%	8.10%	▼
Kerala	5.22%	7.11%	3.07%	▼
Madhya Pradesh	4.08%	4.53%	5.47%	▲
Maharashtra	7.46%	8.28%	6.83%	▼
Rajasthan	3.31%	5.56%	5.19%	▲
Tamil Nadu	11.35%	10.35%	8.07%	▼
Uttar Pradesh	7.76%	8.03%	9.91%	▲
West Bengal	5.75%	4.71%	15.26%	▲
Jharkhand	1.77%	1.64%	2.89%	▲

Source: www.mudra.org

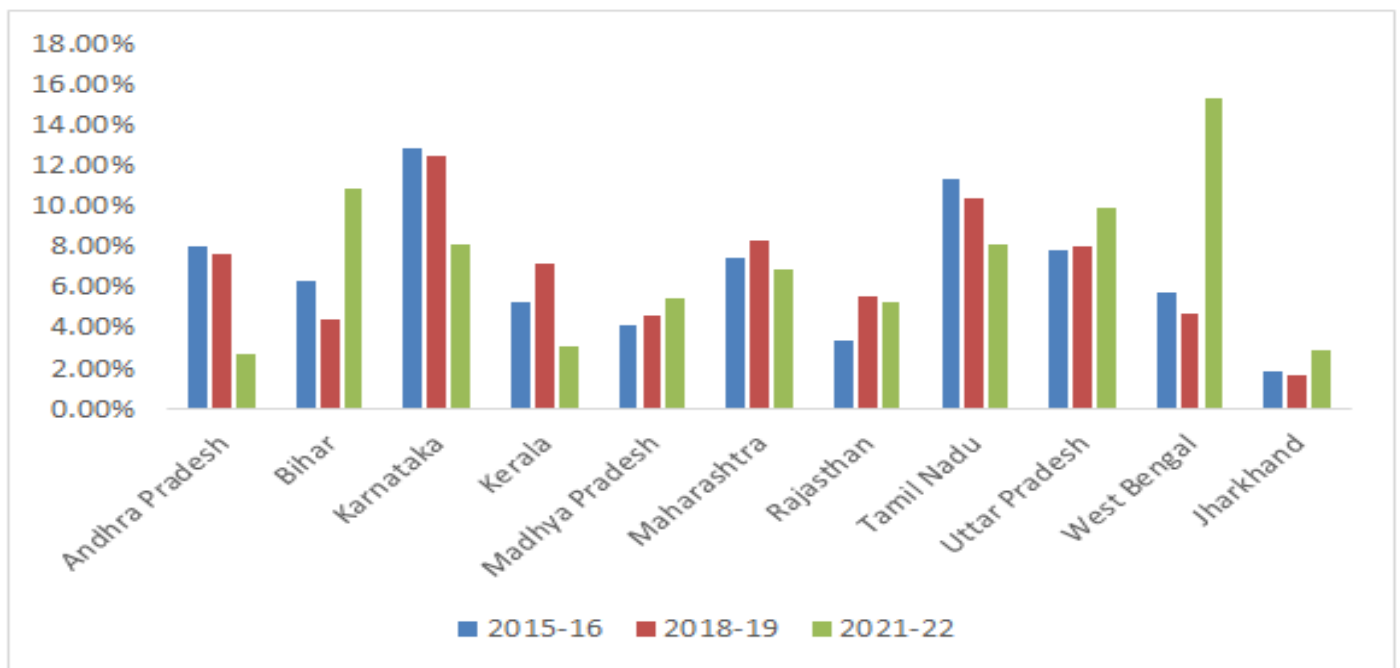


Fig 4 Accounts Opened under Kishore Category (in %)

The above table and figure show the top ten states of India which were highly benefited by the PMMY MUDRA Schemes for the FY 2015-16, 2018-19, and 2021-22 under the Kishore Category in terms of the percentage of accounts opened. There is a continuous increase in the percentage of accounts opened in the states like Bihar, Madhya Pradesh,

Rajasthan, Uttar Pradesh, West Bengal, and Jharkhand. Whereas there is a continuous decrease in the percentage of Accounts for the states of Andhra Pradesh, Karnataka, Kerala, Maharashtra, and Tamilnadu under this category for the past three financial years.

Table 4 Amounts Disbursed Under Mudra Yojana for Kishore Category

<b>Jharkhand Vs. Top 10 performing States</b>				
<b>Amounts Disbursed (in %) Kishore Category</b>				
States	2015-16	2018-19	2021-22	Trend
Andhra Pradesh	7.67%	6.49%	3.54%	▼
Bihar	5.42%	3.81%	7.84%	▲
Karnataka	11.55%	10.58%	9.57%	▼
Kerala	5.34%	5.89%	3.06%	▼
Madhya Pradesh	4.03%	4.98%	5.25%	▲
Maharashtra	8.43%	9.69%	6.78%	▼
Rajasthan	3.66%	6.45%	5.93%	▲
Tamil Nadu	10.43%	8.34%	7.85%	▼
Uttar Pradesh	8.10%	8.59%	9.39%	▲
West Bengal	5.36%	5.05%	14.48%	▲
Jharkhand	1.90%	1.97%	2.31%	▲

Source: www.mudra.org.in

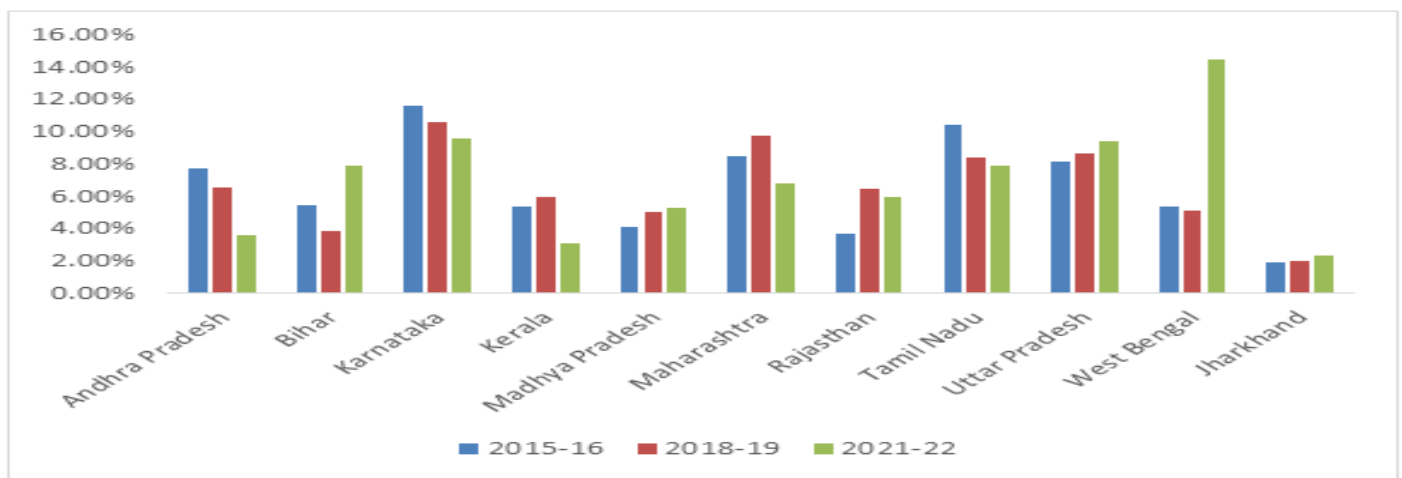


Fig 5 Amounts Disbursed under Kishore Category (in %)

The above table and figure show the top ten states of India which were highly benefited by the PMMY MUDRA Schemes for the FY 2015-16, 2018-19, and 2021-22 under the Kishore Category in terms of Amount Disbursed. There is a tremendous increase in the amount disbursed under Kishore Category was to West Bengal for the three financial years 5.36% in 2015-16, 5.05% in 2018-19, and 14.48% in 2021-22 followed by Uttar Pradesh which has the amount

disbursed for the given financial year was 8.10% in 2015-16, 8.59% in 2018-19 & 9.39% in 2021-22. The percentage of disbursed amount is continuously increasing for the states like Bihar, Rajasthan, Madhya Pradesh, Uttar Pradesh, West Bengal, and Jharkhand, and there is a decrease in the disbursed amount for Andhra Pradesh, Karnataka, Kerala, Maharashtra, and Tamilnadu states.

Table 5 Accounts Opened Under Mudra Yojana for Tarun Category

<b>Jharkhand Vs. Top 10 performing States</b>				
<b>Accounts Opened (in %) Tarun Category</b>				
States	2015-16	2018-19	2021-22	Trend
Andhra Pradesh	4.40%	3.53%	6.82%	▲
Gujarat	6.30%	6.33%	4.66%	▼
Karnataka	10.03%	10.25%	8.92%	▼
Kerala	3.64%	3.32%	3.86%	▲
Madhya Pradesh	5.00%	5.63%	5.77%	▲
Maharashtra	10.54%	12.85%	9.64%	▼
Rajasthan	5.69%	7.65%	6.38%	▲
Tamil Nadu	9.87%	6.30%	6.44%	▼
Uttar Pradesh	8.72%	8.69%	9.81%	▲
West Bengal	5.36%	4.78%	6.31%	▲
Jharkhand	1.81%	1.84%	2.04%	▲

Source: www.mudra.org.in

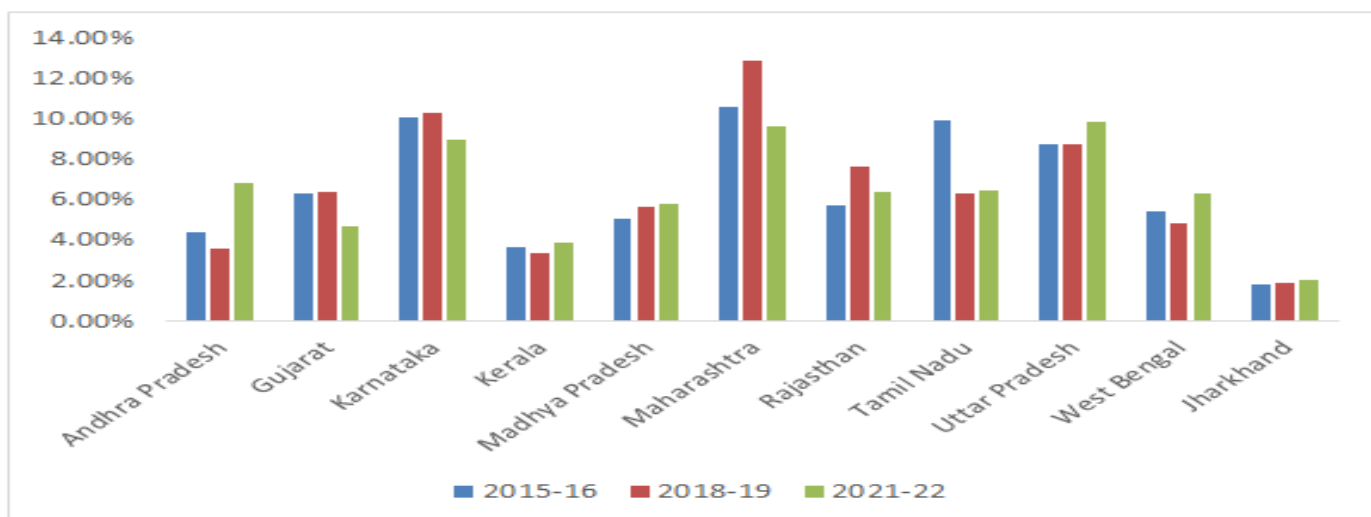


Fig 6 Accounts Opened Under Tarun Category

The above table and figure show the top ten states of India which were highly benefited by the PMMY MUDRA Schemes for the FY 2015-16, 2018-19, and 2021-22 under the Tarun Category in terms of Account opened. There is an increase in the percentage of accounts opened in the states

like Andhra Pradesh, Kerala, Madhya Pradesh, Uttar Pradesh, Rajasthan, West Bengal, and Jharkhand there found a decreasing trend in the states like Gujrat, Karnataka, Maharashtra, and Tamilnadu over three financial years under Tarun category.

Table 6 Amounts Disbursed Under Mudra Yojana For Tarun Category

Jharkhand Vs. Top 10 performing States				
Amounts Disbursed (in %) Tarun Category				
States	2015-16	2018-19	2021-22	Trend
Andhra Pradesh	4.45%	3.60%	6.92%	▲
Gujarat	6.32%	6.29%	4.98%	▼
Karnataka	8.89%	9.22%	8.01%	▼
Kerala	3.75%	3.34%	4.48%	▲
Madhya Pradesh	5.04%	5.49%	5.29%	▲
Maharashtra	11.03%	12.69%	9.53%	▼
Rajasthan	5.83%	7.81%	6.32%	▲
Tamil Nadu	9.99%	6.44%	7.00%	▼
Uttar Pradesh	9.06%	8.94%	10.41%	▲
West Bengal	4.86%	4.93%	5.51%	▲
Jharkhand	1.84%	1.92%	1.99%	▲

Source: www.mudra.org.in

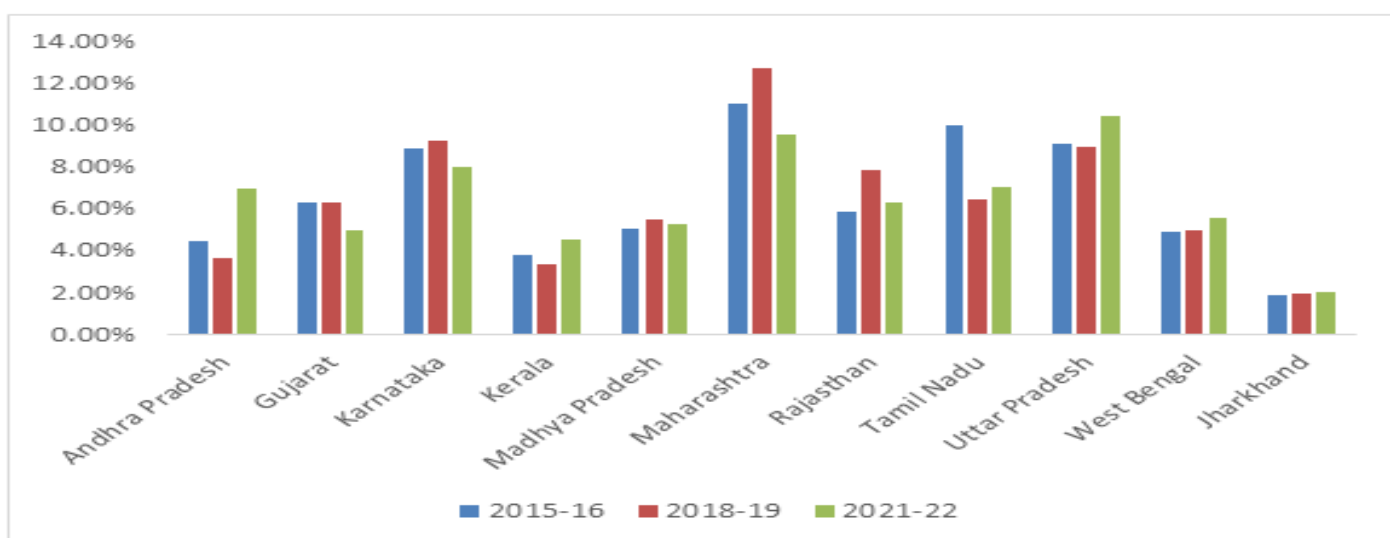


Fig 7 Amounts Disbursed under Tarun Category



The above table and figure show the top ten states of India which were highly benefited by the PMMY MUDRA Schemes for the FY 2015-16, 2018-19, and 2021-22 under the Tarun Category in terms of Amount Disbursed. There is a continuous increase in the percentage of the amount disbursed under the Tarun Category to Uttar Pradesh for the three financial years 9.06% in 2015-16, 8.94% in 2018-19, and 10.41% in 2021-22 followed by Rajasthan which has amount disbursed for the given financial year was 5.83% in 2015-16, 7.81% in 2018-19 & 6.32% in 2021-22. The percentage of disbursed amount is continuously increasing for Rajasthan, Andhra Pradesh, Kerala, Madhya Pradesh, Uttar Pradesh, and West Bengal whereas there is a decrease in the disbursed amount for Gujrat, Karnataka, Maharashtra, and Tamil Nadu states.

### III. CONCLUSION

The study concluded that Mudra Yojana is a great initiative by the Government of India that has led to a great change in microfinance. This initiative has been launched for the benefit of the unfunded small entrepreneurs and women entrepreneurs as well. This study found that there are the states like Maharashtra, Karnataka, Tamilnadu, Uttar Pradesh, Odisha, and Jharkhand are continuously performing showing an increasing trend in terms of accounts opening and amount disbursed.

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