

Performance Evaluation Of Government Schemes For Financial Inclusion Of Rural People: A Study Of PMMY Scheme

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ABSTRACT

The main aim of this study is to examine the performance of government schemes for financial inclusion of rural people. For this secondary data have been collected from various secondary sources like annual report of PMMY Schemes, Government report etc. the study reveals that, Pradhan Mantri Mudra Yojana (PMMY) is a scheme initiated by Government of India to provide loans up to Rs. 10 lakh to non-corporate, non-farm small/ micro enterprises. Under PMMY, people involved in non-farm activities can avail loans up to Rs. 10 lakh. The loans are offered under Mudra scheme by Private Sector Banks, Non-Banking Financial Companies (NBFCs), Micro Finance Institutions (MFIs), Public Sector Banks, Regional Rural Banks (RRBs), State and Urban Co-operative Banks and Foreign Banks.

Keywords: Government schemes, PMMY, Rural People

INTRODUCTION:

Financial inclusion contributes to economic development of a country. The modern era is driven by the use of independent power and economic power, making it compulsory for any state to provide common conditions for homes, individuals and private institutions including the provision of banking services (Verma & Singh, 2014). Development and expansion projects are promoted by the Bank's strong branches network and easy access to the Bank's facilities. A strong and resilient financial system is the foundation for economic development and growth. It will be easier to achieve the National goal by ensuring that the financial system is diverse, robust and efficient (Aduda & Kalunda, 2012). That is why it is important for all countries to have a strong financial system to build a market-driven and competitive economy. One of the most important facilitators of economic growth and development is financial inclusion. Financial inclusion is defined as the acquisition of alternative financial services to the poor at an affordable cost. It also means the delivery of certain banking services at an affordable cost (Tsurkan, et al., 2017). Investment is also a major theme for the United Nations and defines the main purpose of inclusive financial services such as access to various types of financial services such as debt, savings, insurance, banking services and remittances to all businesses and bank facilities at fair value. The concept of investment is traced back to 1904 because a co-operative organization took place in India in that year (Alfaro, et al., 2004). However, the organization only acquired Momentum in 1969 when 14 major commercial banks weremerged and at the same time introduced the Lead Bank system (Agarwalla, et al., 2015). Large branches were opened in large numbers throughout the country and in previously neglected areas. After these measures from the Reserve Bank of India, there was a large proportion of people from India who were not included in the banking system (Goel & Goel, 2014). As well as that, there was a serious intrusion into financial access that required special attention. Numerous studies were conducted on this subject to understand the reasons for the investment. Studies confirm that the issuance or non-issuance of a banking system has cost 1% of GDP losses in the country (Swamy, 2012). This showed that investment was not only apolitical requirement but also accompanied by economic growth and development. The magnitude of the problem has been identified by the Reserve Bank of India and banks are justlooking at investment as one of the main objectives of monetary policy (Chattopadhyay, 2011).

PRADHAN MANTRI MUDRA YOJANA (PMMY)

Pradhan Mantri Mudra Yojana (PMMY) is a flagship scheme of Government of India. The scheme facilitates micro credit/Loan up to Rs. 10 lakhs to income generating micro enterprises engaged in the non farm sector in manufacturing, trading or service sectors including activities allied to agriculture such as poultry, dairy, beekeeping, etc. The Scheme provides financial assistance extended by Member Lending Institutions to the non-corporate, non-farm sector income generating activities of micro and small entities. These micro and small entities comprise of millions of proprietorship / partnership firms running as small manufacturing units, service sector units, shopkeepers, fruits / vegetable vendors, truck operators, food-service units, repair shops, machine operators, small industries, artisans, food processors and others. The loans under Pradhan Mantri Mudra Yojana can be availed through eligible Member Lending Institutions (MLIs), which include:

- Public Sector Banks
- Private Sector Banks
- State operated cooperative banks
- Rural banks from regional sector
- Micro Finance Institution (MFI)
- Non-Banking Finance Company (NBFC)
- Small Finance Banks (SFBs)
- Other financial intermediary approved by Mudra Ltd. as member financial institutions

OBJECTIVES AND METHODOLOGY:

The prime objective of this study is to examine performance of PMMY scheme for financial inclusion of rural people. The study is mainly based on secondary data, the required secondary data have been collected from government reports, articles, PMMY website etc.

PERFORMANCE ANALYSIS OF PMMY SCHEME:

Pradhan Mantri Mudra Yojana (PMMY) is a scheme initiated by Government of India to provide loans up to Rs. 10 lakh to non-corporate, non-farm small/ micro enterprises. Under PMMY, people involved in non-farm activities can avail loans up to Rs. 10 lakh. The loans are offered under Mudra scheme by Private Sector Banks, Non-Banking Financial Companies (NBFCs), Micro Finance Institutions (MFIs), Public Sector Banks, Regional Rural Banks (RRBs), State and Urban Co-operative Banks and Foreign Banks

Table-1: Category Wise Analysis of Pradhan Mantri Mudra Yojana Shishu Scheme [Amount Rs. in Crore]

Sr No	State Name	Shishu		
		No Of A/Cs	Sanction Amt	Disbursement Amt
1	Andaman and Nicobar Islands	348	0.78	0.75
2	Andhra Pradesh	752451	1633.48	1595.71
3	Arunachal Pradesh	3968	9.95	9.87
4	Assam	491693	1342.37	1329.19
5	Bihar	5433461	17156.1	17054.61
6	Chandigarh	8595	25.81	25.52
7	Chhattisgarh	772151	2176.54	2163.56
8	Dadra and Nagar Haveli	1779	4.91	4.85
9	Daman and Diu	262	0.61	0.49
10	Delhi	122705	339.01	333.15
11	Goa	19157	59.42	58.38
12	Gujarat	1192620	3682.97	3665.76
13	Haryana	776064	2545.71	2523.88
14	Himachal Pradesh	49714	160.52	148.3
15	Jharkhand	1437542	4085.43	4057.73
16	Karnataka	3312243	9689.76	9676.81
17	Kerala	1242138	4159.8	4148.07
18	Lakshadweep	238	0.81	0.78
19	Madhya Pradesh	2568102	7415.08	7297.49
20	Maharashtra	3306200	9333.55	9312.02
21	Manipur	60528	137.93	136.77
22	Meghalaya	10146	31.12	30.7
23	Mizoram	3485	12.03	11.87
24	Nagaland	5412	19.89	19.37
25	Odisha	3151533	8873.34	8835.22

26	Pondicherry	99495	356.46	355.66
27	Punjab	856183	2673.16	2634.63
28	Rajasthan	2029272	6168.46	6131.34
29	Sikkim	5176	15.62	15.18
30	Tamil Nadu	4667349	16632.46	16613.04
31	Telangana	356919	974.18	953
32	Tripura	208833	647.31	643.51
33	Union Territory of Jammu and Kashmir	69650	223.97	222.44
34	Union Territory of Ladakh	356	1.28	1.27
35	Uttar Pradesh	4592780	12769.62	12615.74
36	Uttarakhand	239968	796.1	787.25
37	West Bengal	3872638	10591.85	10555.12
	Total	41721154	124747.37	123969.05

Table-2: Category Wise Analysis of Pradhan Mantri Mudra Yojana Kishore Scheme
[Amount Rs. in Crore]

Sr No	State Name	Kishore		
		No Of A/Cs	Sanction Amt	Disbursement Amt
1	Andaman and Nicobar Islands	959	27.73	27.43
2	Andhra Pradesh	298242	4860.92	4728.07
3	Arunachal Pradesh	1063	26.02	25.03
4	Assam	174191	2272.52	2087.01
5	Bihar	1201505	11599.06	10463.52
6	Chandigarh	4287	92.4	89.14
7	Chhattisgarh	177627	2202.65	2141.34
8	Dadra and Nagar Haveli	1616	22.3	21.88
9	Daman and Diu	291	7.09	6.47
10	Delhi	54559	880.4	863.67
11	Goa	14465	248.48	240.36
12	Gujarat	352426	4703.29	4637.9
13	Haryana	254764	3169.57	3054.69
14	Himachal Pradesh	45752	1014.24	944.45
15	Jharkhand	320255	3183.29	3081.6
16	Karnataka	898314	12910.63	12768.9
17	Kerala	339964	4158.78	4084.73
18	Lakshadweep	419	10.2	10.11
19	Madhya Pradesh	606752	7304.27	7006.54
20	Maharashtra	756828	9210.13	9048.63
21	Manipur	12296	169.4	153.35
22	Meghalaya	5630	94.16	90.14
23	Mizoram	7031	124.83	116.82
24	Nagaland	8740	126.28	118.86
25	Odisha	486979	5001.42	4849.16
26	Pondicherry	30501	335.56	332.19
27	Punjab	226522	3278.86	3146.85
28	Rajasthan	575773	8047.91	7916.64
29	Sikkim	5130	87.92	85.46
30	Tamil Nadu	894274	10586.48	10467.36
31	Telangana	139872	2506.15	2435.63
32	Tripura	146001	1674.55	1639.38
33	Union Territory of Jammu and Kashmir	165386	3544.04	3489.52
34	Union Territory of Ladakh	6449	129.3	128.62
35	Uttar Pradesh	1098459	12891.86	12523.61
36	Uttarakhand	82509	1288.81	1250.44
37	West Bengal	1692375	19852.85	19313.74
	Total	11088206	137644.38	133389.24

Table -3: Category Wise Analysis of Pradhan Mantri Mudra Yojana Tarun Scheme
[Amount Rs. in Crore]

Sr No	State Name	Tarun		
		No Of A/Cs	Sanction Amt	Disbursement Amt
1	Andaman and Nicobar Islands	594	48.89	48.35
2	Andhra Pradesh	67229	5335.41	5121.64
3	Arunachal Pradesh	674	54.53	51.61
4	Assam	17005	1251.62	1161.09
5	Bihar	43189	3341.79	3206.94
6	Chandigarh	2044	163.46	158.37
7	Chhattisgarh	20618	1550.3	1492.56
8	Dadra and Nagar Haveli	296	23.22	22.61
9	Daman and Diu	153	12.25	11.94
10	Delhi	17571	1397.17	1362.77
11	Goa	2328	183.46	174.14
12	Gujarat	45914	3766.13	3686.38
13	Haryana	27135	2053.07	1995.61
14	Himachal Pradesh	12090	977.82	934.69
15	Jharkhand	20085	1548.28	1476.1
16	Karnataka	87924	6094.9	5929.2
17	Kerala	38066	3379.54	3316.78
18	Lakshadweep	68	5.65	5.58
19	Madhya Pradesh	56950	4095.61	3914.4
20	Maharashtra	95024	7254.06	7055.82
21	Manipur	1314	106.09	89.08
22	Meghalaya	1116	86.56	83.16
23	Mizoram	880	74.44	63.61
24	Nagaland	1039	82.83	71.25
25	Odisha	32395	3025.24	2872.89
26	Pondicherry	1529	109.41	107.45
27	Punjab	27105	2227.93	2144.59
28	Rajasthan	62953	4782.83	4680.96
29	Sikkim	753	59	56.25
30	Tamil Nadu	63523	5258.61	5182.54
31	Telangana	36754	2688.52	2621.84
32	Tripura	2470	174.77	162.84
33	Union Territory of Jammu and Kashmir	27609	2020.29	1984.59
34	Union Territory of Ladakh	1371	103.21	101.66
35	Uttar Pradesh	96743	8002.25	7711.45
36	Uttarakhand	11437	930.97	902.23
37	West Bengal	62218	4448.5	4080.95
	Total	986166	76718.61	74043.91

MUDRA Card is an innovative product introduced during the year to take care of the frequent and flexible credit needs of small borrowers. The card is issued as a Debit card on RuPay platform and can be used for drawl of funds and also repayment as and when there is surplus, so that the loan amount can be managed judiciously. The card was introduced during the year which was adopted by most of the PSBs, RRBs and a few Private Sector Banks too. The total number of card issued during the year was at 5.17 lakh for an amount of ` 1476.96 cr. An amount of ` 1391.25 crore was withdrawn by the borrowers. The average amount of MUDRA card works out to ` 28567 per card.

Conclusion:

The PMMY programme, during the last six years, has benefitted 29.55 crore loan accounts with a sanction of ` 15.52 lakh crore, thus enabling the grass-root economy of the country to contribute in a bigger way to the overall economic growth of the nation. From the financial year 2015-16 it is observed that there is an increase in the targets as well as achievements. In the financial year 2015-16 the target was about 1.22 (in Cr) and the achievement was 1.37 (in Cr). In the financial year 2020-21 the target was about 3.5 (in Cr) and the achievement was 3.21 (in Cr). Various aspects of Pradhan Mantri Mudra Yojana have been shown and the categories of Mudra Yojana.

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