

An Analysis of the Pradhan Mantri Mudra Yojana Footprint: A Case Study of Mizoram

Abhishek Prasad¹, Amit Kumar^{2,*}, Bidhu Kanti Das³

Abstract

The goal of self-reliant India, aka “Atmanirbhar Bharat”, can be achieved when all its citizens are self-reliant. The Pradhan Mantri Mudra Yojana is a program designed to promote entrepreneurship through the provision of microfinancing. This initiative aims to empower individual citizens to become financially independent, which in turn supports the nation’s overall economic self-sufficiency and aligns with the “Atmanirbhar Bharat” vision. Since the launch of PMMY in 2015, there are has been little to almost no research study done on the performance and status of the PMMY in Mizoram. The objective of this study is to bridge this knowledge gap, collect, and analyze the PMMY scheme performance in Mizoram from its launch to the year 2022. Through this study, it has been found that the amount of loans sanctioned has seen a gradual increase year on year up to the end of the financial year 2019–20. It is important to note that the loans sanctioned amount, and the number of beneficiaries have seen a steep decline since the starting-start of the financial year 2020. The drop is due to the global COVID-19 pandemic, which greatly affected economic activities and loan distribution. Despite this, the PMMY scheme remains strong and still helps promote self-employment and entrepreneurship in Mizoram. This study is needed to fully understand how the pandemic has affected the scheme over time and to create plans for its recovery and growth in the future. Furthermore, this research emphasizes the importance of ongoing monitoring and analysis of the PMMY scheme in Mizoram to inform future policy decisions and adaptations, particularly in the post-pandemic recovery phase.

Keywords: PMMY, Mudra, Loans, Northeast India, Mizoram

INTRODUCTION

The Pradhan Mantri Mudra Yojana (PMMY) was inaugurated on April 8, 2015, by the Honorable Prime Minister of India, Shri Narendra Modi. The initiative aims to provide financial support to small entrepreneurs and startups. MUDRA (Micro-Units Development and Refinance Agency) works as an integrated platform providing both financial and consultant consulting services [1]. The vision of the MUDRA is to support small manufacturing units, such as street grocery (fruits, vegetables, fresh produce, etc.) vendors, transport (truck, taxi, rickshaw, etc.) operators, wholesale (repair, retail, etc.) shops, small industries, skilled workers (artisan, craftsmen, etc.), and many others. The Mudra Yojana will help support the idea of self-reliant India, aka “Atmanirbhar Bharat”, instigate entrepreneurial culture, and the result of this domino effect will create more employment opportunities in both rural and urban areas. Figure 1 presents a schematic flow chart outlining this concept. Entrepreneurship expansion is crucial to achieve economic development in the country.

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In a recent survey study published, researchers examined the link between entrepreneurship and employment generation. They concluded that mostly the micro, small, and medium enterprises helped create survival opportunities to millions of people, who otherwise had no other means of financial sustenance in their regional areas. This instead created an umbrella effect, expanding the export possibility and enhancing the overall economic growth of the country [2]. The Micro, Small, and Medium Enterprises (MSME) sector constitutes a crucial component of the Indian economy. According to a conceptual review paper by Mittal, V., & Raman, T.-V. (2021) [3], the MSME sector contributes approximately 30% to India's Gross Domestic Product (GDP). In another published study, researchers accounted that MSMEs contributed to the second largest employment opportunities after agriculture, providing employment to nearly 73 million people and covering accounting to-for over 40% of the employment.



Source: Official website of MUDRA (<https://www.mudra.org.in>).

Figure 1. Flowchart of PMMY and MUDRA concept.

Source: Official website of MUDRA (<https://www.mudra.org.in>).

A study conducted by Shukla, S.-S., & Mishra, A. (2013) [4] demonstrated that neither of the two economic development strategies implemented by India following its independence — specifically, the Keynesian theory of effective demand and the neo-classical theory of flexible wage rates — proved effective in alleviating poverty in the country. In this study, it was identified that self-employment generation is the only propelling force that could eventually curb poverty. During the last five decades, the MSME has emerged as a vigorous and compelling sector of the Indian economy. Considering the time of its inception, MSMEs have managed to position themselves as the heart of the Indian industry [3]. These enterprises have a valuable contribution to a developing country like India (Figure 2).

The success of any newly launched government scheme requires work-action by several ministries and departments across, both at the central and state levels for the sustainable growth of the scheme. The increasing participation of the lower income group in entrepreneurship with the MUDRA scheme is a positive sign of transition, eliminating the existing hierarchy status quo,

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cultivating gender ~~equalities~~equality, improving financial status, and possibly improving livelihood and social development.

Since the launch of PMMY in 2015, there ~~are-is~~ no data or research journal available on the ~~state-of-art~~state-of-the-art of PMMY in Mizoram. To the author's knowledge, this is the first research survey paper that outlines the PMMY performance and ~~analyze-analyzes~~ the impact of the MUDRA scheme in Mizoram. The objective of this study is to bridge this knowledge gap, collect, and analyze the PMMY scheme performance in Mizoram from its launch ~~until-to~~ date, i.e., fiscal year 2015–2022.

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Figure 2. Locating the state of Mizoram on the map of India.

Mizoram is a small state located in the ~~north-eastern~~northeastern region of India. The state of Mizoram is home to several ethnic communities, including the Mizo, Hmar, Lai, Mara, and Chakma. The population of Mizoram is 11.2 lakhs according to the 2014 census. The population is projected to be 12.27 lakhs in 2023. Mizoram ranks as the second least populous state in India, following Sikkim. A recent study conducted by the Reserve Bank of India, entitled "Determinants of Financial Literacy and Financial Inclusion in North-Eastern Region of India: A Case Study of Mizoram," [4]. The study has been published on the Reserve Bank of India's DRG study website. A major finding of this study is that even though the literacy rate of Mizoram is at 91.58 percent, which is the third highest in the country as of in the year 2022 but the financial awareness of the region is limited to 32 percent. A significant finding of the study is that the average financial literacy score was 14.37 on a scale ranging from 0 to 21. This research was conducted utilizing the International Network on Financial Education toolkit. The suboptimal state of financial inclusion in Mizoram has been underscored by other social researchers in the region. For instance, Lalrinmawii, C., and Sailo, L. (2019) [5] have emphasized the necessity of providing enhanced and appropriate awareness to village women regarding the importance

of financial inclusion, enabling them to effectively utilize the various products and services available to them.

LITERATURE REVIEW

In a developing nation with a substantial population, such as India, small businesses play a crucial role not only in contributing to the country's Gross Domestic Product (GDP) but also in providing employment opportunities to a significant number of individuals. The primary objective of the MUDRA scheme is to support small businesses and entrepreneurs. A major challenge faced by the small and micro business sectors is the lack of financial resources. To address this significant challenge and facilitate the development of the Indian economy, the Government of India introduced the MUDRA scheme. Any Indian citizen with a revenue-generating plan from small-scale business activities in trading, manufacturing, and processing, and whose loan requirement is under Rs. 10 ~~lakh~~ lakhs, is eligible to apply for a loan under the Pradhan Mantri Mudra Yojana (PMMY). The Mudra loan provides substantial support to both Joint Liability Groups (JLGs) and Self-Help Groups (SHGs) through bank linkage programs, such as overdraft facilities and loan lending. This financial support can foster in ~~establishing establishment~~ and ~~innovating innovation~~ of both farm and non-farm ~~business-businesses~~ and in scaling up of ~~SHGs-SHGs~~ social, economic, and financial state. It can also help empower the women working in these sectors to take up income-generating roles. It has been found that the design of the MUDRA scheme will not only cater to the financial problems of MSMEs but also give moral support to a lot of ~~the~~ young population to become ~~an entrepreneur~~ entrepreneurs. To facilitate ~~hassle free~~ hassle-free and flexible working capital assistance to the borrowers, MUDRA introduced the MUDRA ~~card-card~~ debit card on the RuPay platform, which can be operated across the ATMs and ~~POS~~ Point of Sale (POS) Machines [6]. It has also been noted that programs like the PMMY can help promote MSME sectors, which in turn play an important role in assisting ~~to~~ the "Make in India" philosophy. The scheme is also beneficial for micro, medium, and small business units and promotes self-employed entrepreneurs in both urban and rural ~~areas~~, resulting in the entire economy's growth. According to them, the PMMY scheme is a commendable step taken by the government where ~~the~~ low-income section can benefit a lot [7]. Dwivedi (2017) [8] found that financial plans like MUDRA loans, boost credit needs ~~and~~ refinancing choices. Initiatives and initiatives are required to promote broad credit and loan acceptance. The study found that Mudra loans assist fledgling businesses by offering collateral-free financing. According to the MSME Ministry's Annual Report 2020-21, 20% of the 63 million MSMEs in India are owned by women [9]. As per a report published by Google and Bain & Company in (2020) [10] titled ~~Women Entrepreneurship in India~~ Women Entrepreneurship in India, women business-owners will create 150-170 million jobs in India by 2030. Micro ~~Finance-microfinance~~ industry in the North Eastern Region is in ~~the~~ initial stage, and many ~~national-level~~ national-level ~~micro finance~~ microfinance industries have emerged in the ~~north-east region~~ North East Region of India in the last decade. It has been reported that the assessment and availability of microcredit through Self-Help Groups (SHGs) have not only led to increased incomes for women but have also fostered the development of enhanced leadership skills, heightened awareness of health and education issues, improved communication skills, and greater financial literacy among women in the ~~North Eastern~~ Northeastern region of India [11].

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RESEARCH METHODOLOGY

This research adopts an analytical approach to examine and evaluate the status of MUDRA loans in the state of Mizoram. The study utilizes data from the inception of the program in 2015. The research paper thus analyzes the progress, penetration, outreach, and pervasiveness of the MUDRA scheme in the state of Mizoram since its launch up to the year 2022. The study is an attempt to understand and present the awareness of the Pradhan Mantri Mudra Yojana ~~among-in~~ the state of Mizoram with reference to the financial inclusion of the state.

Data Collection Sources

The study is based on secondary data. The data source includes the office of the State Bank of India regional branch, Aizawl, Mizoram. RBI Regional branch, Aizawl, Mizoram. Mizoram Rural Bank

Headquarters, MINECO, Aizawl, Mizoram. Data has also been obtained from the MUDRA official website. The data was compiled by the author during the author's employment as an Assistant Manager in RAFTAAR Business Incubation Centre from 10th July 2019 to 28th February 2023.

Data Analysis and Interpretation

Both qualitative and quantitative data is presented. The data interpretation has been done using basic mathematical formulas. Data has been presented using tables and interpretations of data have been presented using bar charts, pie charts, and line graphs.

PMMY Data Collected in the state of Mizoram

Table 1 presents the Mudra loans sanctioned under the three categories, namely *Shishu*, *Kishore*, and *Tarun*. The table also lists the number of beneficiaries and the distribution amount in crores of Indian rupees.

Table 1. PMMY Data Collected in the state of Mizoram under Mudra in different categories.

Sl.No	Year	Shishu		Kishore		Tarun	
		No of Beneficiaries	Disbursement Amount (Cr)	No of Beneficiaries	Disbursement Amount (Cr)	No of Beneficiaries	Disbursement Amount (Cr)
1.	2015-16	5473	19.44	1993	35.24	306	23.1
2.	2016-17	3408	15.46	3278	53.16	287	21.7
3.	2017-18	6474	25.64	5536	97.23	390	30.02
4.	2018-19	6828	26.19	8434	144.46	596	45.21
5.	2019-20	13784	62.83	5514	109.67	1137	63.59
6.	2020-21	3849	11.54	8011	136.68	856	62.94
7.	2021-22	3485	11.87	7031	116.82	880	63.61

Source: MUDRA official website (<https://www.mudra.org.in>).

The bar presented in Figure 3; is extrapolated from the raw data tabulated in Table 1; for visual representation of the data. From the Figure 3, (a) bar graphs, it is evident that the number of beneficiaries in the *Shishu* category were more over the year on year, followed by *Kishore*, and lastly *Tarun* loan categories. This data concludes that the majority of most of the population started by borrowing lesser funds. This can be due to two reasons: (1) Northeast Mizoram being a low-income source region of the country, it might be safer to start off with lesser funds, and (2) Low confidence among the peer population due to the scheme still being in its nascent stage. Another important result from this data analysis; is a drastic increase in the number of loan lenders during the fiscal year 2019-2020. From the interviews conducted with the SBI, Bank, Aizawl, a spike in lenders, possibly due to the Covid 2020, was observed. Figure 3-(b), bar graphs, however, show a high bar chart for the *Kishore* category, which is likely due to the loan amount, i.e., Rs. 50,000-5 lakh itself, despite a smaller number of beneficiaries.

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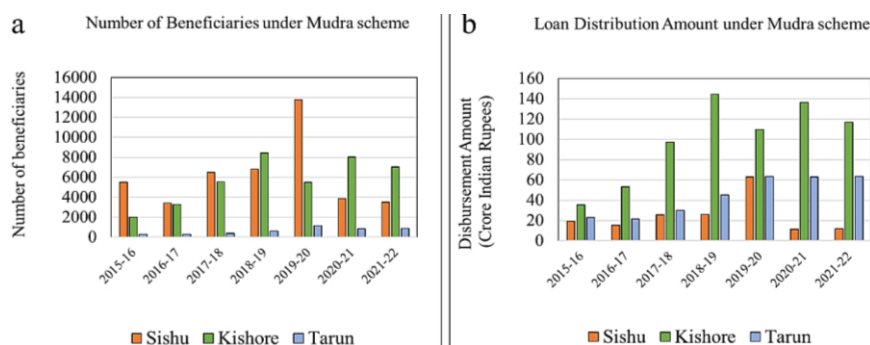


Figure 3. (a) No of beneficiaries (in terms of actual number), (b) Loan distribution amount (in terms actual amount in crore Indian Rupees) under the three Mudra Scheme categories; Sishu (orange bar); Kishore (green bar); Tarun (blue bar) in Mizoram from fiscal 2015–20–22.

Table 2. PMMY Data Collected in the state of Mizoram under the Mudra scheme.

Sl.No.	Year	Total	
		No. of Beneficiaries	Disbursement Amount (Cr)
1.	2015–16	7772	77.78
2.	2016–17	6973	90.31
3.	2017–18	12400	152.9
4.	2018–19	15858	215.86
5.	2019–20	20435	236.09
6.	2020–21	12716	211.15
7.	2021–22	11396	192.3

Source: MUDRA official website (<https://www.mudra.org.in>).

The pie chart presented in Figure 4, is extrapolated from the raw data tabulated in Table 2, for graphical representation of the data. From Figure-Figures 4 & 5, it is clear that the total number of beneficiaries and the loan distribution amount under the Mudra Scheme in Mizoram for fiscal 2018–2020 were the highest. Also, the percentage distribution for both the beneficiaries and the loan amount is near-nearly the same. Another important observation from this data; is the decrease in the number of beneficiaries from fiscal year 2020–22, resulting in a decrease in the loan amount too, during this time period. A sharp decline of 8 % for 2020–2021 and 10 % for 2021–2022 in comparison to 2019–2020 for the number of beneficiaries, suggests that despite the Mudra scheme being 5-year-old by 2020, its impact among the Mizo population is still underway. From an economic perspective, this is because of the surge in inflation, which began from-at the start of 2020. An article published in 2020 emphasized on the impact of COVID programmes and policies on the Indian economy at large [12]. Firstly, the nationwide lockdown during the COVID era resulted in a sharp decline in demand for goods and services, and secondly, the post-COVID era, coupled with a rise in prices, led to a decrease in the purchase of good-goods and services. A sharp decline in demand and supply leads to a collapse in the economy, which is evident from the decline in the PMMY performance during 2020–2022.

Total No of Beneficiaries under Mudra Scheme 2015-22

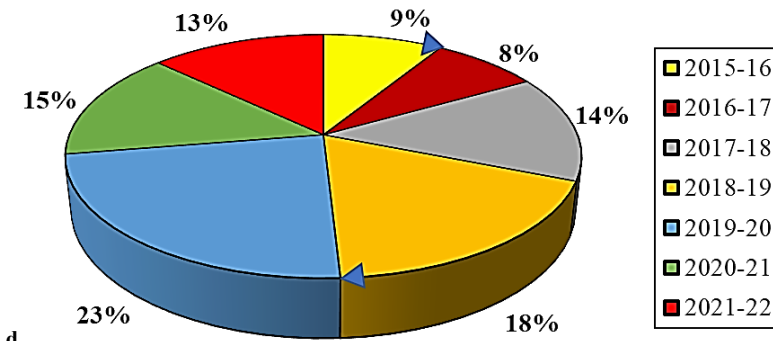


Figure 4. Total nNo. of beneficiaries (in terms of percentage) under the Mudra Scheme in Mizoram from fiscal 2015–22. Blue arrow: clockwise presentation of data from year-on-year (YoY).

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Loan Distribution Amount under Mudra scheme 2015-22

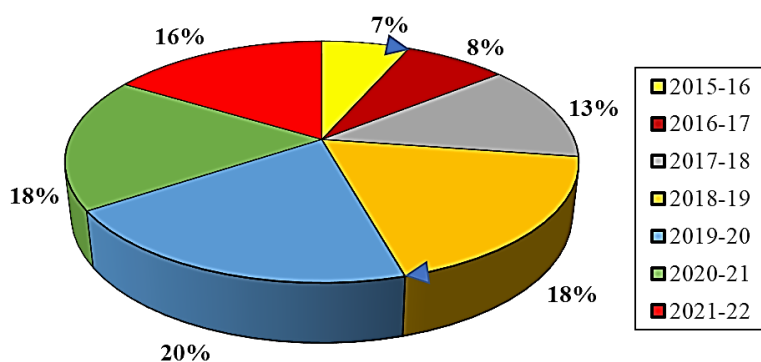


Figure 5. Total Loan distribution amount (in terms of percentage) under the Mudra Scheme in Mizoram from fiscal 2015–22. Blue arrow: clockwise presentation of data from year-on-year (YoY).

PMMY Statistical Interpretation in the State of Mizoram

To better understand the PMMY performance in terms of statistical interpretation, the percentage change in the number of beneficiaries and the loan disbursement amount under the three categories of the Mudra Scheme is presented in terms of numbers from Table-Tables 3–5, and in terms of graphical presentation from Figure-Figures 6–8.

Table 3. Shishu loan and percentage change in growth rate, Year-on-year.

Sl.No.	Year	Shishu		Growth Rate (Beneficiary)	Growth Rate (Amount)
		No. of Beneficiaries	Disbursement Amount (Cr)	Percentage (%) Change	Percentage (%) Change
1.	2015–16	5473	19.44	N/A	N/A
2.	2016–17	3408	15.46	-37.73	-20.47
3.	2017–18	6474	25.64	89.96	65.85
4.	2018–19	6828	26.19	5.47	2.15
5.	2019–20	13784	62.83	101.87	139.9
6.	2020–21	3849	11.54	-72.08	-81.63
7.	2021–22	3485	11.87	-9.46	2.86

Data in Figure 6 suggests that there was an increase in the percentage growth rate of beneficiaries and the loan amount under the Shishu loan during 2019–20. A sharp decline from 2020–2021 is observed in the Shishu category. On the contrary, Figure 7, suggests a sharp increase in the beneficiaries and the loan amount under the Kishore category from 2012–2021. On discussions with the SBI Loan officials, a need there is a need for financial assistance in the amount range of Rs. 1 lakh and above was more among the peers due to the loss of jobs during COVID and the drastic increase in inflation post-COVID. Hence, the increase in the Kishore loans is fitting, such a social economic socio-economic scenario.

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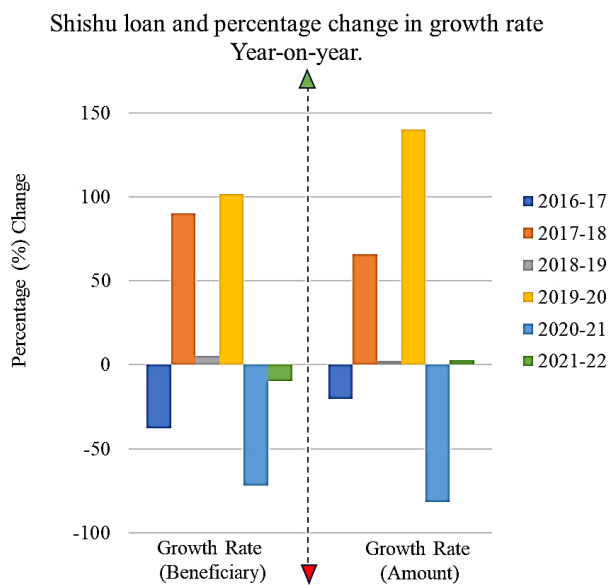


Figure 6. PMMY *Shishu* loan growth rate of beneficiaries vs disbursement amount (in terms of percentage) under the Mudra Scheme in Mizoram from fiscal 2015–22. -Green arrow: increase; Red arrow: decrease.

Table 4. Kishore loan and percentage change in growth rate, year-on-year.

Sl. No.	Year	Kishore		Growth Rate (Beneficiary)	Growth Rate (Amount)
		No of Beneficiaries	Disbursement Amount (Cr)	Percentage (%) Change	Percentage (%) Change
1.	2015–16	1993	35.24	N/A	N/A
2.	2016–17	3278	53.16	64.48%	50.85%
3.	2017–18	5536	97.23	68.88%	82.9%
4.	2018–19	8434	144.46	52.35%	48.58%
5.	2019–20	5514	109.67	–34.62%	–24.08%
6.	2020–21	8011	136.68	45.28%	24.63%
7.	2021–22	7031	116.82	–12.23%	–14.53%

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Kishore loan and percentage change in growth rate Year-on-year.

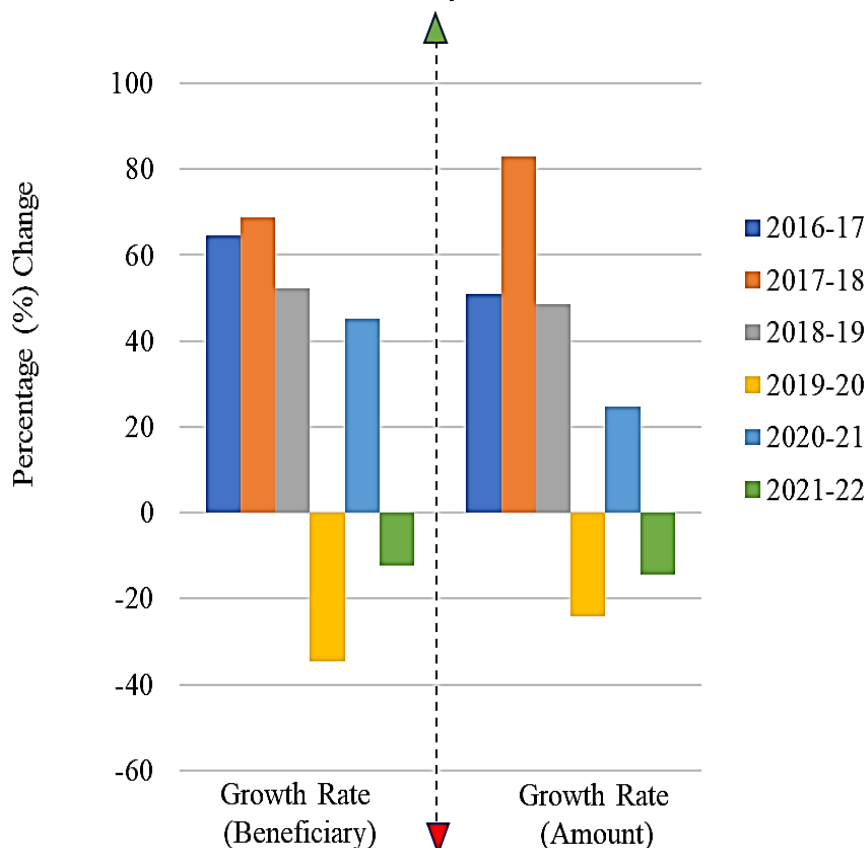


Figure 7. PMMY Kishore loan growth rate of beneficiaries vs disbursement amount (in terms of percentage) under the Mudra Scheme in Mizoram from fiscal 2015-22.
 -Green arrow: increase; Red arrow: decrease.

Table 5. Tarun loan and percentage change in growth rate, year-on-year.

Sl.No.	Year	Tarun		Growth Rate (Beneficiary)	Growth Rate (Amount)
		No of Beneficiaries	Disbursement Amount (Cr)	Percentage (%) Change	Percentage (%) Change
1.	2015-16	306	23.1	N/A	N/A
2.	2016-17	287	21.7	-6.21%	-6.06%
3.	2017-18	390	30.02	35.89%	38.34%
4.	2018-19	596	45.21	52.82%	50.6%
5.	2019-20	1137	63.59	90.77%	40.65%
6.	2020-21	856	62.94	-24.71%	-1.02%
7.	2021-22	880	63.61	2.8%	1.06%

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Tarun loan and percentage change in growth rate Year-on-year.

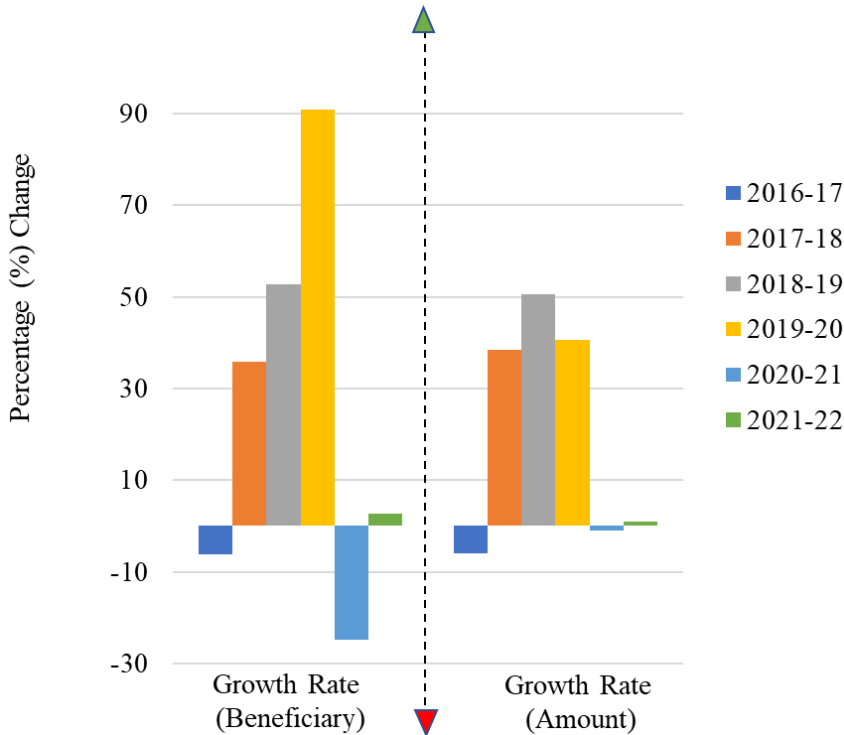


Figure 8. PMMY Tarun loan growth rate of beneficiaries vs disbursement amount (in terms of percentage) under Mudra Scheme in Mizoram from fiscal 2015-22. -Green arrow: increase; Red arrow: decrease.

Data in Table 5 and the bar graphs in Figure 8, shows a dramatic dip in the Tarun loan from fiscal year 2020-22. Despite inflation in the first quarter of 2021, the post-COVID era was hit hard due to supply chain issues. Kadam & Pandey (2020) [13], in their published research, claimed that logistics and distribution issues were major roadblocks in recovery during the post-COVID era.

PMMY Overall Performance in the State of Mizoram

To better understand the PMMY overall performance, Figure 9 (Data in Table 6) presents a scatter plot for the Mudra loans over an interval of time from 2015-22. An exponential increase is seen in the growth of the Mudra Scheme from 2015-18, a dip is observed in the second quarter of 2018, and a drastic decline is observed by 2022. The overall performance of the Mudra Scheme can be concluded as very dramatic with huge potential for growth, yet inconclusive due to the Mudra Scheme still maturing, in Mizoram.

Table 6. PMMY's Overall Performance in Mizoram from 2015-2022.

Sl. No.	Year	Total	Growth Rate (Beneficiary)	Growth Rate (Amount)
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		No. of Beneficiaries	Disbursement Amount (Cr)	Percentage (%) Change	Percentage (%) Change
1.	2015-16	7772	77.78	N/A	N/A
2.	2016-17	6973	90.31	-10.28%	16.11%
3.	2017-18	12400	152.9	77.83%	69.31%
4.	2018-19	15858	215.86	27.89%	41.18%
5.	2019-20	20435	236.09	28.86%	9.37%
6.	2020-21	12716	211.15	-37.77%	-10.56%
7.	2021-22	11396	192.3	-10.38%	-8.9273%

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Mudra loan and percentage change in growth rate Year-on-year

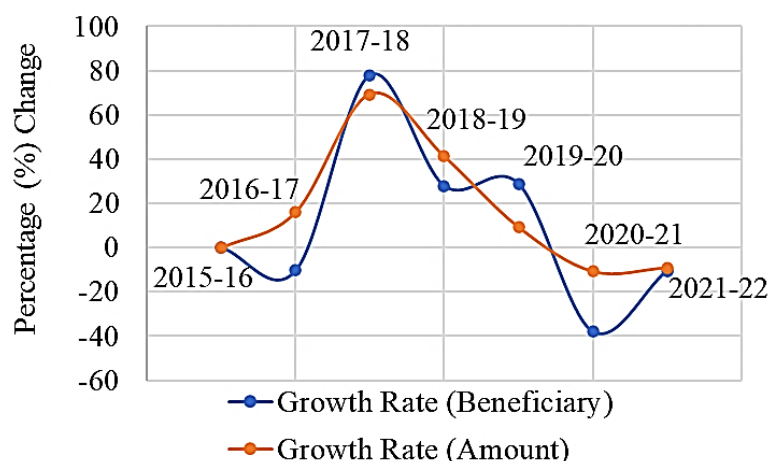


Figure 9. PMMY-PMMY's Overall Performance in Mizoram from 2015-2022.

RESULTS AND DISCUSSIONS

The PMMY loan in Mizoram has seen a steady increase in the sanction of loans since its inception from the year 2015 till the year 2020, but 2020 but has seen a decline in the number of loan sanctioned/loan-sanctioned beneficiaries from the year 2020. From the data interpretations, we observe that the Shishu loan constitutes the major proportion of the loan beneficiaries. The highest number of loans was availed in the year 2019-2020. The highest positive percentage change was observed in the year 2017-2018, while the highest negative percentage change was observed in the year 2020-2021.

The PMMY is one such extraordinary schemes-scheme introduced by the Government of India to provide financial help to one of the largest population groups of the country, the "Aam admi", aka the middle-class income people. The wider outreach of the PMMY will be one of the major contributors in achieving the goal of increasing the financial inclusion of Mizoram. At present, the financial literacy score of the state stands at merely 14.37 on a scale of 0 to 21, according to a recent report released by the DRG study of the Reserve bank-Bank of India. In the same report, it has been mentioned that 48 percent of the 523 respondents reported a lack of usage of financial products despite awareness. Apart from the low financial awareness in the state, there are additional challenges that women face in the Pradhan Mantri Mudra Scheme. The challenges faced by women include a lack of higher education,

low ~~risk-bearing~~risk-bearing ability, socio-economic constraints, bank formalities, lack of information about the benefits and offers of the Pradhan Mantri Mudra Yojana. One of the ~~shortages-shortcomings~~ of the MUDRA scheme is that the ~~interest~~ rate of Interest is not fixed, and the lender could raise the interest rate as high as 12 percent per annum in some cases. For the rural women to benefit from the scheme, there should be cheaper interest rates in case of rural women beneficiaries. This is an important step that needs to be taken to improve the financial inclusion of rural women of the state. The Government should also provide cheaper financial products for the lower sections of ~~the society so as to~~ ensure a higher level of financial inclusion. Though the PMMY has many salient features and has been designed with the intent to finance citizens of the most remote rural areas, as well as people of the lowest income group. It comes with its own inherent flaws. Some of the flaws of the MUDRA loan ~~is~~ ~~are~~ that it is seen as a forced approach by the banks, where they are given annual targets to achieve. This has been affecting the asset quality of the banks. The refinancing support by the MUDRA agency is not adequate for the banks. The full-scale banks are not the right financial institutions for implementing the MUDRA loans, as the bank staff ~~is-are~~ mostly overburdened in carrying out ~~its-their~~ routine operational activities. The new microfinancing fintech companies are emerging as major competitors of the MUDRA scheme. They have new age tools to assess the ~~credit~~ ~~worthiness~~creditworthiness of people who do not have a credit history.

The importance of ~~the microfinance~~microfinance schemes ~~in order to~~ increase the financial inclusion of the ~~lower income~~lower-income group has been highlighted in numerous research papers ~~all-across~~across the world. The Honorable Prime Minister of India, Shri Narendra Modi Ji, has highlighted the importance of microfinancing in strengthening the Indian economy ~~at-on~~ several occasions. In a recent event, which was the Rojgar mela held on 13th April 2023, the Honorable Prime Minister of India, Shri Narendra Modi Ji, again emphasized ~~on~~the significance and role of microfinancing in the development of the Indian economy. The Prime Minister also said that the Pradhan Mantri Mudra Yojana would be a major contributor to achieving India's target of ~~achieving becoming~~the a 5 trillion-dollar economy by the year 2025.

CONCLUSIONS AND POLICY IMPLICATIONS

The performance of the PMMY during its 7-year period from 2015–22 in Mizoram has shown appreciable progress since the launch of the program. One of the important points to note is that though the PMMY scheme has shown a steady increase in the loan sanctioned amount and the number of MUDRA beneficiaries up to the financial year 2019–20, but for some reason both the loan beneficiaries and ~~the~~ loan sanctioned amount ~~has-have~~ been decreasing from the year 2020. One of the major reasons for this decline could be the extended lockdown imposed in the state due to the ~~COeV+iDd-19~~COVID-19 pandemic. The pandemic ~~had-has~~ significantly impacted the movement of ~~the people and~~people and the functioning of businesses and offices throughout the state. The lockdown restrictions were strict and existed from the year 2019 up to the year 2021, with some degree of relaxation from time to time.

The correlation between the decline of the MUDRA beneficiaries in Mizoram and the ~~eovid-19~~COVID-19 restrictions is prominent. Another factor contributing to the decline of the scheme is the increase ~~of-in~~ defaulters of the MUDRA loan. The highest number of beneficiaries is of the *Shishu* loan. Since the loan sanctioned amount is up to a maximum of ~~rupees fifty thousand~~fifty thousand rupees only, ~~and~~no mortgage is required under the *Shishu* loan. On top of that, minimal ~~paper work~~paperwork is required to ~~avail~~avail itself of this loan. It has been observed ~~that~~ a large ~~part~~number of the ~~defaulters~~defaulters are the beneficiaries of *Shishu* loans who are ~~first time~~first-time loan beneficiaries and have no credit score. The beneficiaries of the MUDRA scheme in Mizoram have also expressed difficulty in ~~repayment of~~repaying loans as the ~~eovid-19~~COVID-19 pandemic ~~had-has~~ imposed multiple challenges in running their businesses and heavily impacted their profit margins.

The population distribution, geographical location, and language barrier are other factors that act as hurdles to the people who reside in the rural areas of the state of Mizoram. A large part of the MUDRA beneficiaries ~~is-are~~ from Aizawl, i.e., the capital of Mizoram. During the on-field research and survey, it was also found that the residents of the remote and rural areas of the state were ~~completely~~unaware of the MUDRA scheme ~~completely~~. Some of the people who were aware of the scheme did not know

of the features and benefits of the scheme. Also, it was observed that the inhabitants of the rural areas were more reluctant to approach the banks for enquiring about the microfinancing options available with the bank as compared to the residents of the urban areas. The participation of women beneficiaries should be increased. The Government needs to raise awareness campaigns and encourage the women entrepreneurs to avail the benefits of the PMMY. The rural women entrepreneurs and self-help groups operating micro-scale enterprises should be encouraged to take advantage of the Pradhan Mantri Mudra Yojana. There is a large scope for improvement, and major initiatives are needed to be taken by the Government of the state in order to improve the financial awareness as well as the financial inclusion of the state. The future policies should be directed to address these categories to improve the PMMY performance.

Conflict of Interest

Not None.

Any

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Any

Authors' Contribution

¹Data collection, compilation and first draft preparation, ²Paper editing, analysis and final draft paper ready, and ³Data compilation and data analysis support.

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