

MUDRA –A boost for upraising microenterprises and employment in Jammu and Kashmir UT since its inception.

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Abstract: - For the development and refinancing micro unit's enterprises Govt of India setup a financial institution called Mudra-which stands for micro units development and refinance agency Ltd.The scheme was actually launched on 08 April 2015 at Vigya Bhawan New Delhi with the core intention to stimulate the growth and development of micro and small scale enterprises by providing a facility of finance along with the technical knowledge as well. This flagship scheme is to fund the unfunded up to an amount of Rs. 10 lakh.

The main motto of this paper is the assessment of financial and operational performance of PMMY in Jammu and Kashmir UT on the basis of stage wise(category wise) and year wise disbursement of amount since its inception and found that a tremendous improvement has taken place in the operations of PMMY in UT of J&K particularly after 2019.For analysis of facts secondary source of data has been collected. Micro, small and medium enterprises (MSME's) are the main pillars of economic growth and employment and these MSME;s have shown an excellent response towards taking benefit from PMMY that too in Jammu and Kashmir UT where the exposure of business environment was very low and this pace has improved more after financial year 2019-20 (i.e.) from financial year 2020-21 to financial year 2022-23.

Key words

PMMY MudraBank, Financial Empowerment,MSME's, J&K UT

INTRODUCTION:-

Jammu and Kashmir witnesses micro enterprises as a major economic segment and provides large employment after agriculture .These micro unit segments are engaged manufacturing, processing, trading and services sector.Mudra has been backbone for small and micro units by providing collateral free financing to the budding enterprises which in turn provides employment to a major sector of youth (both males & females)in the UT like Jammu and Kashmir which is having a very high level of unemployment along with little exposure of industries and private sector.

The major problems faced by people of Jammu and Kashmir that leads to little exposure and thereby unemployment is to some extent similar to the other states in our country India but

to a great extent is different from rest of states due to the fact of adverse unfavourable situations in Jammu and Kashmir since 1990's.

In spite of the above fact there are certain other scarceness's which needs to be rectified. These are briefly given as below:-

- *Lack of proper awareness.
- *Skill development lackness.
- *Lack of technical knowledge.
- *Non availability of finance.
- *Lack of market development skills.
- *Lack of motivation.
- *Non availability of resources, infrastructure.

Lack of financial and informative support is supposed to be the main obstacle in the growth of entrepreneurship in NCB's. No doubt the banks provide support to the micro enterprises but due to the lack of exposure business atmosphere particularly in Jammu and Kashmir for the reason of unrest and unfavourable circumstances since 1990's people mostly move back towards taking loan from banks. This leads to a meagre percentage of credit going to micro, small and medium enterprises (MSME'S). Most of the enterprises in non-corporate sector operate as unregistered as there is the non-maintenance of proper books of accounts with negative intention of outside access of finance and thus this factor creates a barrier for banks to lend them. The results of the above facts leads to a negative perception in the existing and new start-up business persons which gives rise to unemployment in Jammu and Kashmir.

As we are very much aware about the fact that unemployment in Jammu and Kashmir is at peak but we cannot also deny the fact that government too cannot give govt jobs to all. That is why government focuses more on entrepreneurship that can tend to prove a bypass solutions to these hitting problem in Jammu and Kashmir.

Keeping in view the above facts government of India has taken various steps from time to time in the country and especially in Jammu and Kashmir in the light of setting up of entrepreneurship development institutes (EDI'S), entrepreneurship development programmes (EDP'S), awareness camps and different govt programmes and schemes for the promotion of entrepreneurship environment in Jammu and Kashmir. One of the steps taken by government of India is the launch of (PMMY) i.e Pradhan Mantri Mudra Yojana on 08 April 2015 where Mudra literally stands for micro units development and refinance agency Ltd. The main motto of the MUDRA scheme is providing an opportunity for the financing intuitions which are engaged in the business of lending to micro and small business entities with the core intention or goal of developing and refinancing micro enterprises and eradicating the rising problem of unemployment. Mudra acts as a tonic for financial awareness, business exposure, credit and varied social supportive services particularly in

Jammu and Kashmir UT which is to a great extent lagging far behind in comparison to rest of the states of our country India so far as the business atmosphere is concerned.

FUNCTIONS:-

Mudra scheme has been a backbone to small and micro units by giving collateral free financing to budding enterprises. It provides a three tier loan facility depending upon ones requirement These three tier stages are summed up as under:-

SHISHU:- The loan amount under this category is up to rupees 50000 and the rate of interest charged by bank is 10% to 12% it is for the businesses / enterprises who are in initial stage of business.

Kishore:- the loan offered under third category of mudra is from 50000 to 5 lakh with interest rate of 14 to 17% depends on bank to bank. It is the categories of mudra scheme where a business / enterprise is in middle stage / already existing enterprise.

Tarun:- the loan amount under third category is from 5 lakh to 10 lakh with interest rate up to 16% .It is the stage where a business or an enterprise is in existing stage and is in good growth that needs to be developed more

Mudra key features

- Mudra –micro units development and refinance agency as its name suggests is a refinancing agency that provides refinance support to banks ,NBFCTo facilitate funds for lending.
- Onward lending to business entities engaged in manufacturing, trading, services ,agricultural and allied activities
- Providing of financial assistance, financial literacy besides social support to the small and micro units for development and growth.
- Three tier loan facility –
Shishu -----50000
Kishore -----5000 to 5 lakh
Tarun -----5lakh to 10 lakh
- Acts as a seed finance to the entrepreneurs' having intention to set up their business enterprises .
- Mudra is provided to both rural and urban areas as well as women entrepreneurs.
- Mudra is a financial inclusion scheme to make unbanked population as banked and to stimulate the credit system of banks with the intention of growth and development of small and micro units.

Offerings of mudra:-

- Mudra offers collateral free loan to its beneficiaries which enables them to borrow without losing their personal and business property .therefore the main aim of mudra is to provide financial assistance to the small and micro units having the intention to grow their business.
- Small and micro business are getting boost through the financial inclusion in the way of mudra scheme these small enterprises can be businesses in transport (two wheeler , three wheeler), personal services like saloon,beauty parlour,boutiques etc. Mudra thus acts as a magnet to attract these small sectors to move on.
- Mudra acts as a middle man between the people having will/desire to grow and develop their business in the shape of micro units of enterprises. It really acts in a way of growing the seeds of businesses both in rural and urban areas that too to those who lack financial stability.

Businesses and Mudra:-

For going through any task one must need to know about its rules and procedures to go ahead. Mudra supports start-ups but the start-up must be a non-corporate micro or small segment.

Mudra loan scheme actually comes in three schemes which are as under:-

Shishu ----50000

Kishore ----5 lakh

Tarun -----10 lakh

The scheme offers a very affordable rate of interest 8.4-12.4%.

A normal fee is charged for its registration and it is to be free for ST,SC,PWD etc.

There is a fixed repayment tenure for this loan based on the cash flow capacity and the declared assets.

The sectors that are covered under Mudra Yojana scheme through which an applicant can go ahead in his /her business are as under:-

- Transport/ vehicles like;
 - For purchase of vehicles like ;
 - Rickshaws,
 - Taxies,
 - small goods vehicles,
 - 3wheelers etc.
- Personal services like;
 - Men's saloon,
 - beauty parlours
 - Gymnasium
 - Boutiques
 - Dry cleaning
 - Medicine shop
- Food service units like;
 - papad making

- Jam making
- Sweet shop
- Ice-cream making
- Canteen services
- Agriculture and allied services like ;
 - Pesiculture
 - Poultry
 - Livestock
 - Agro processing
 - Bee keeping
- Textiles
 - Handloom
 - Khadi activity
 - Traditional embroidery
 - Vehicle accessories etc.

Eligibility of Mudra loan:-

- The first and the foremost condition for eligibility is that the applicant must be 18 year of age and is capable of showing a business plan-with structure, investment plan nature of product marketing and future result for taking loan under PMMY.
- The applicant must have a plan to start up a business that needs an investment of not more than 10 lakh with the business of non-farm income/earning activity.
- Rest rules and regulations that are fixed by RBI and PMMY rules.

Review of Literature:-

- ❖ AggarwalaMaityand Sahu(2022),In their study they collected the primary datafrom 417 beneficiaries of west Bengal tribal districts with the application of regression and Wilkinson sign test ,to analyse the mudra's impact on female entrepreneurs socio-economic status and came to conclusion that mudra proved very effective for advancement insocio-economic status of female entrepreneurs.
- ❖ Salgotra,PrashantKandari,Ajay Kumar and Uma Bahugana(2021),The researchers carried out a study that demonstrates various paramaters on financial inclusion which depicts the positive role of PMMY in the eradication of poverty by giving the MSME's a field to get the benefit of loans at low intrest rates in Jammu and Kashmir.
- ❖ WaniAsra and Mohsinalrshad (2021),undertook a study to examine the impact of standup and digital india scheme related to female entrepreneurs specially in pashmina sector in Jammu and Kashmir and came to the conclusion that pashmina industry in Kashmir valley is showing a decreasing trend.

- ❖ Dr.Ajeet Kumar Sahoo and PoonamRani(2019), in their study on “performance of PradhanMantri Mudra Yojana(PMMY):A case study of Haryana”, found the good response of mudra in urban and semi urban districts but as for as the rural districts are concerned ,there is absolutely very low performance which needs to be addressed.
- ❖ Ahmad Altaf (2018), focussed on significance and importance of Stand-up scheme as wellas the role played by it in entrepreneurship ecosystem in Jammu and Kashmir and determined a strong growth and loan disbursement.
- ❖ Vijai(2018),Carried out a research in Tamil Nadu on role of PMMY relating to its product offerings , functions and came to the conclusion of good raise in disbursement amount in all three catagories of PMMY from 2015-2016 to2016-2017.
- ❖ ShahidMohammadandMohmmadlrshad (2016),In their descriptive study they tried to explain the role of PMMY in specific areas of a Jammu and Kashmir with reference to the product offerings , its effectiveness and concluded with the view of good role in funding the unfunded.

Objectives of the Study:-

- To examine the financial and operational performance of PMMY on socio-economic empowerment of entrepreneurs in Jammu and Kashmir UT since its inception.
- To study about the stage wise number of accounts opened under Mudra scheme in Jammu and Kashmir UT since its inception.
- To study about the stage wise disbursement of amount under PMMY in Jammu and Kashmir UT since its inception.
- To propose policy imperatives to CentralGovt regarding PMMY.

Methodology of the study:-

The above said objectives of theresearch study are achieved through Time Series Analysis of secondary data by the researcher. The study uses the data of PMMY related to J&K UT from the financial year 2015-16 to 2022-23.

Sources of the Data:-

Data were collected from the secondary sources like;bankreports,RBI reports NABARD,Govt of India reports,Mudra websites etc. to know about the financial and operational performance of mudra scheme and its outreach.

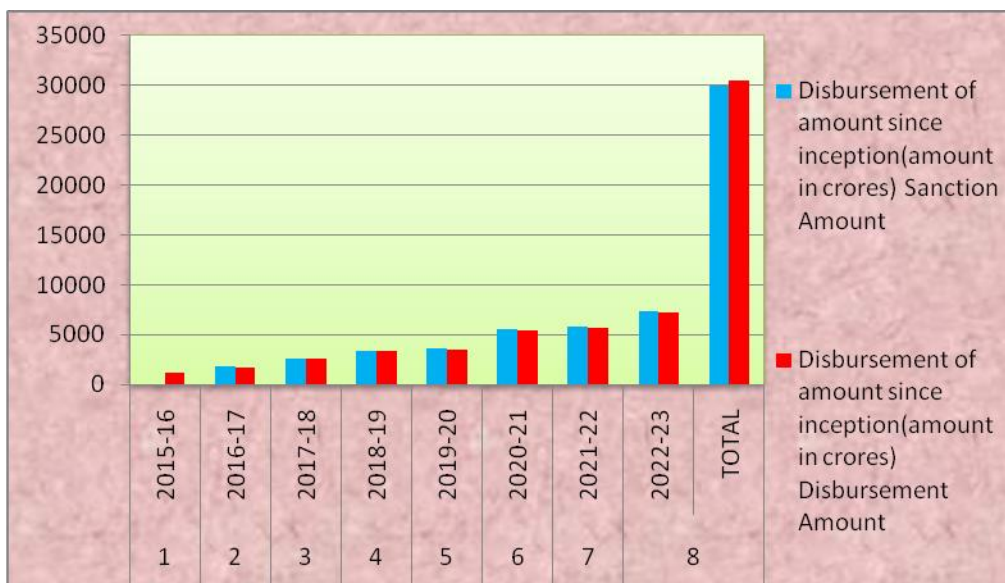
Scope of the study:-

The study is going to fill the gap in empirical studies in general and Jammu and Kashmir UT in particular regarding disbursement andperformance of mudra scheme.

Stage wise No. of A/C's and disbursement of amount under PMMY in J&K UT Since its inception till FY 2022 -23
Amount RS. in crores

| S.No | Financial Year | Shishu | | | Kishore | | | Tarun | | | Total | | |
|------|----------------|---------------|-----------------|---------------------|---------------|-----------------|---------------------|---------------|-----------------|---------------------|----------------|-----------------|---------------------|
| | | No.of A/c's | Sanction Amount | Disbursement Amount | No.of A/c's | Sanction Amount | Disbursement Amount | No.of A/c's | Sanction Amount | Disbursement Amount | No.of A/c's | Sanction Amount | Disbursement Amount |
| 1 | 2015-2016 | 19057 | NA | 62.32 | 34388 | NA | 738.18 | 4529 | NA | 351.65 | 57974 | 1185.13 | 1152.15 |
| 2 | 2016-2017 | 23589 | 79.88 | 72.14 | 59232 | 1237.3 | 1114.22 | 6891 | 528.19 | 477.15 | 89712 | 1845.37 | 1663.51 |
| 3 | 2017-2018 | 19532 | 69.04 | 67.74 | 73095 | 1725.6 | 1678.84 | 10498 | 792.15 | 768.26 | 103125 | 2586.8 | 2514.84 |
| 4 | 2018-2019 | 30982 | 62.59 | 60.9 | 86485 | 2168.16 | 2118.37 | 15611 | 1172.95 | 1141.69 | 133078 | 3403.7 | 3320.97 |
| 5 | 2019-2020 | 43862 | 85.85 | 83.21 | 94874 | 2233.86 | 2183.48 | 16417 | 1232.54 | 1203.81 | 155153 | 3552.25 | 3470.5 |
| 6 | 2020-2021 | 94698 | 262.34 | 257.47 | 175326 | 3458.12 | 3396.58 | 24477 | 1793 | 1747.89 | 294501 | 5513.46 | 5401.94 |
| 7 | 2021-2022 | 69650 | 223.97 | 222.44 | 165386 | 3544.04 | 3489.52 | 27609 | 2020.29 | 1984.59 | 262645 | 5788.31 | 5696.54 |
| 8 | 2022-2023 | 87186 | 293.8 | 288.87 | 209296 | 4482.02 | 4427.64 | 34481 | 2541.68 | 2503.21 | 330963 | 7317.51 | 7219.71 |
| | Total | 388556 | 1077.47 | 1115.09 | 898082 | 18849.1 | 19146.83 | 140513 | 10080.8 | 10178.25 | 1427151 | 31192.53 | 30440.16 |

Source:-PMMY Reports, www.mudra.org.in



The table given above depicts a stage wise and financial year wise details of No. of accounts opened and the amount disbursed in J&K UT since its inception i.e. from financial year 2015-16 to till financial year 2022-23. As we are very much aware of the fact that Jammu and Kashmir got its UT status in the financial year 2019-20, we can get a clear picture of improvement that has taken place and the advantages taken from Pradhan Mantri Mudra Yojana (PMMY) scheme by the people of Jammu and Kashmir UT after this UT event. As for as No. of opening of accounts of PMMY since its inception (i.e) from 2015 to 2023 is concerned J&K UT has witnessed 1427151 accounts opened which includes 388556, 898082 and 140513 accounts opened under the categories of Shishu, Kishore and Tarun respectively. Regarding the stage wise amount of disbursement under PMMY Jammu and

Kashmir Ut has witnessed 30440 crores of disbursement which comprises of 1115.09 ,19146.83 and 10178.25 crores in Shishu ,Kishore and Taruncategories respectively from 2015-2023.

Findings:-

From the data it evident that from financial year 2019-20 to 2022-23 an unexpected improvement has taken place which is clear from the figure of 155153 a/c's in financial year 2019-20 to a jump of 330963 a/c's in financial year 2022-23. Secondly if we go through the figures of table related to the amount of disbursement we can see that the total amount of disbursement from the financial year 2015-16 to 2022-23 is Rs.30440.16 crores which comprises of 1115.09,19146.83 and 10178.25 crores in Shishu, Kishore and Tarun categories respectively. Verily if we analyse the related data since its inception we can see that a slow improvement in the disbursement of amounts has taken place from financial year 2015-16 to 2019-20, but after few year 2019-20 i.e. from financial year 2020-21 to 2022-23 a great improvement has taken place so for as the disbursement of amount under PMMY is concerned.

Regarding the stage wise improvements of PMMY in different financial years in J&K UT related to the number of accounts opened and disbursement of amount , we have seen that a dramatic improvement has taken place in Kishore category that too from financial year 2020-21 to 2022-23 .These figures actually depict the true picture of how excellently mudra has proved as a stimulus for uprising micro ,small and medium enterprises and employment in Jammu and Kashmir UT where unemployment was like a kind of diseases giving rise to various other unfavourable events. Thus PMMY has proved to be a tool that has tightened the screws of development of micro ,small and medium enterprises , employment and socio economic status in Jammu and Kashmir UT.

CONCLUSION: - PMMY scheme is going to be a push for growth and development not only for the Jammu and Kashmir UT but for the whole country as well. The steps like mudra by GOI has proved to be a life line for most of people in Jammu and Kashmir UT where people are having a very low exposure of investing or even having start-up in business field . If such schemes like mudra operates in future for a long time then very soon our country will reach to a very high level in economy, provided the Govt. will do timely analysis of financial and operational performance of PMMY. PMMY has really motivated the new young generation to go ahead in business field.

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