

# **A Study on Performance of PMMY in Karnataka: A Comparative Study Between Urban and Rural Areas in Ballari Region**

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## **ABSTRACT**

In present scenario there is an imbalance development in urban and rural. So many cases the plans which has to be reach it is unable, this paper is focus the failure of PMMY in Urban, the successive story of many people. The growth which we can be identify by economic, social and technology. Somehow our country has been made a pioneer stage by offering financial inclusion schemes among that Pradhan Mantri MUDRA Yojana is the main key plan to boost up the low level to high level. Financial Inclusion is the most treasured strategies in India. Indians monetary arrangement has dependable has been driven by a basic plan of a practical and comprehensive development. The primary focal point behind the monetary consideration is to cover the all segment of population under monetary administrations. Indian government has introduced some of the major initiatives to “fund the unfunded” micro enterprises segment. This is the most efficient strategies taken by Indian government is Pradhan Mantri MUDRA Yojana (PMMY) which plays an vital role in achieving the success of financial inclusion growth. This research paper focuses on the overview of PMMY performance analysis of the scheme based on state, caste and category, SWOT analysis of the scheme and some recommendations.

**Keywords:** Economy, PMMY, Growth, Finance, Inclusive

## **INROUDUCTION**

The honorable Prime Minister launched PMMY (Pradhana Mantri MUDRA Yojana), MUDRA (Micro Units Development and Refinance Agency) Bank, Since 2014 the implementation of PPMY is like to take some moment, it has been proposed to establish MUDRA is a subsidiary of Small Industries Development Bank of India like SIDBI, thus later on PMMY will be converted into a full-fledged institute to be set up with a constitutional body of enactment. The fact there will be a separate entity to focus exclusively on increasing the flow of finances to micro and small sectors. It is advanced strategy for the Social and financial inclusion of this weaker sector in India. Financial institute like MUDRA Bank is the first path breaking initiative to recreate or re-boost to India-centric financial ecosystem to support the small and medium business sector. There is a un available of requisition fund by main banking sector has necessitated the formation of MUDRA which should process like a regulator, Builder, developer and re-financier to facilitate easy financial

requirements to this un-incorporated sector. MUDRA Scheme will enable the financial resources to the Micro Small & Medium sector and this will surely transform the standard economic well-being of millions of small people. There is a example of further small business which faced exploitation at the hands of money lenders but implementation of PMMY would enhances a new confidence in the heart of million poor people and well forwarded contribution to the nation to come over from plenty of problems which has been facing since many decades. PMMY has been established by the statutory enactment. PMMY is to be take responsibilities for the development and refinance to Micro finance Institutions which providing the lending facility to Small and Micro Scale business Enterprises engages in activities of manufacturing, trading activities and service activities, through a PMMY. Further, MUDRA would also partner with State and Regional level coordinators to provide finance to the people in rural and urban areas, overall development is considered with lot of commitment.

### **OBJECTIVES OF THE STUDY**

The objectives of the study are:

- ✚ To analyze the different financial inclusion schemes adopted by the government.
- ✚ To evaluate performance of Pradhana Matri MUDRA Yojana (PMMY) in Ballari Dist.

### **SCOPE OF THE STUDY**

The study confined to the performance of PMMUDRA YOJANA (PPMY) in Ballari Dist. The period is taken to study 2014 to 2019.

### **SOURCES OF DATA**

In this research paper secondary data were used. Secondary data was sourced through the use of books, articles, journals, and handouts on PMMY and also the information collected by syndicate bank regional office Ballari and used electronic search engines such as the internet and Encarta encyclopedia.

### **RECENT SCHEMES INTRODUCED BY CENTRAL GOVERNMENT**

#### **❖ Pradhana Mantri Jana Dhana Yojana (PMJDY)**

The Objective of "Pradhan Mantri Jan-Dhan Yojana (PMJDY)" is focusing to access the various financial services as providing the basic saving bank account, credit facility, remittance, pension and insurance these section that sis low income group and weaker sections. This is a deep moment to offer a affordable cost is to possible sections with perfect use of advanced technology.

PMJDY is the nation vision on financial inclusion growth to encase and integration of weaker section and re-boost the economy to bring about financial inclusion to households in India. PMJDY is the plan of saving the universal access of bank facilities to the householder to have a basic saving account for one. This scheme is able to provide a financial knowledge in terms of Savings, pension and insurance with addition of debit and Credit card like Ru-Pay which covers ₹ one lakh insurances.

#### ❖ Atal Pension Yojana

Atal Pension Yojana is our young population age it is also going to be pensions-less with the successive growth of PMJDY. There will be proposes to have universal social security to a common public who always worry about their illness, penury or accidents in old age. In the year of 2015 the fiancé minister has announced national pension scheme that is “Atal Pension Yojan”. This Yojana has been launched to boost-up the unincorporated sectors and provide minimum security for the common public and they have to be contributed of their savings.

#### ❖ Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

The scheme is a 01 year cover term Life Insurance Scheme, renews from year to year, which offers life insurance policy which covers death due to any reason. ₹ two lakh is payable to subscriber death with any reason he has to pay premium of ₹ 330/- per annum that has been deducted from the saving account is called auto debit facility in enrolled account. The account holders also give one time fixed for auto debit for every year object to re-calibration that may be processed necessary on review of experience of the scheme. The yojana will be administrate and offer with life insurance and other life insurance units they had wish to give needful product with cooperation banks.

#### ❖ Pradhan Mantri Krishi Sinchai Yojana

The Indian economy is highly dependent on the agricultural sector. A large population efficiently converts into a needful of address the growing food demands each year. The dependability is the best scene in year when there is a man soon sends prices for the food items ratcheting up. It is an opportunity to enhance the agriculture productivity Indian government is came up with a this Yojana, the Pradhan Mantri Krishi Sinchai Yojana (PMKSY). According to media records, the Cabinet Committee on Economic Affairs (CCEA), which is chaired by Prime Minister finalized details of the yojana. If the Yojana converts be a economists, and rural managers believes in the production of crop could be the witness of a sufficient growth.

#### ❖ Pradhan Mantri Kousal Vikas Scheme (PMKVS)

The prime minister has launched in the campaign of Make in India by the invitation of investors to set up the business in India. The prime minister has promised abundance of skilled labour in India. This is the complementation of idea of skills development of the

country. The Pradhan Mantri Kaushal Vikas Yojana (PMKVY) was the invested as a key technique to skills-based training to youth framing them to ability of earns and support of nation to anti poverty. The Yojana becomes most vital in India which has world's largest population at young it insist employable skills (356 million populations between 10 and 24 years of age – The Hindu, Nov 2014).

### ❖ Pradhan Mantri Mudra Yojana (PMMY)

Micro Units and Development Refinance Agency (MUDRA) is a financial initiative by prime minister created in an order to provide the small units and gives them to sufficient finance in order to grow. Micro entities are to be unable to avail the loans by bank with lack of insufficient fund pay off the interest. There was a ₹ 577 crore with micro units functioning in India. With regard of prime minister helping entities grow and lead development of our economy.

### Objectives of MUDRA Bank

- To frame a policy guideline of finance to Small and micro entities.
- To know the registered and regulated institutions of micro finance.
- To help the enterprise in terms of growth and development.
- To suggests weaker sections and low-income group of their business.
- To help to entrepreneurs with financial practices in order to prevent over borrowings.
- To help create easy access to finance for the unbanked and also help lower the cost of finance.
- To give importance to the SC/ST preference in lending.
- To regulate the all micro finance institutes in terms of manufacturing, service and trading.

### PMMY Bank Scheme Details and Procedure

PMMY is having the work of former Gov. in the area of medium, micro and small business development. The NDA government has been announced PMMY. The Gov. of India has set with new implication for the development and refinancing. The PMMY was announced while presenting the union budget 2015-16 by Finance Minister. By this non corporate small business can able to get funds for the livelihood. There is biggest problem come over from lack fiancé for the growth of small scale business so the government has identified best solution by the implementation of MUDRA.

MUDRA Yojana has the following interventions are founded that is “ SHISHU, KISHORE and TARUN to identify the stage of development or growth and the needs of fund for the beneficiary called small or micro unit level entrepreneur. It provides a refinance for next phase of growth or graduation to look forward into the success.

- SHISHU – covering loans up to Rs 50,000/-
- KISHOR – covering loans above Rs 50,000/- and up to Rs 5 lakh
- TARUN – covers loan above ₹ 5 lakh up to ₹ 10 lakh

### **Borrower Eligibility**

MUDRA gives loan to non farm income generating enterprises in services, trading and manufacturing who are needs credit below of ₹ 10 lakh by Regional Rural Banks, State Co-operative Banks, Urban Cooperative Banks and Public Sector Banks will be known as Loans given to all non-farm income generating enterprises in manufacturing, trading and services whose credit needs are below Rs.10 lakh by all the Public Sector Banks, Regional Rural Banks, State Cooperative Banks and Urban Co-operative Banks will be known as MUDRA under PMMY

### **PMMY Process to get Loan**

If the beneficiary seeks an idea and came up with blueprint of business plan and if he supposes to select the category of business which he can get three types of loans that is SHISHU, KISHOR and TARUN. If he needs loans under PMMY he can communicate to the nearest bank that is private or public. MUDRA portal has disclosed the list of institutes which are pertaining the loans as on date.

- Public Sector Banks are 27.
- Private Sector Banks are 17.
- Regional Rural Banks are 31.
- Cooperative Banks are 04
- Micro Finance Institutions are 36
- Non Banking Financial Companies are 25

An application\_form under this scheme will be available with each of the above listed institutions. This application form has to be submit with these following documents for the approval of the loan,

- **Proof of Identity** (Self attested Voter ID/Driving License/PAN Card/Aadhaar Card/Passport/any other Photo ID issued by Government)
- **Proof of Residence** (Recent Telephone Bill/Electricity Bill/Property Tax Receipt (not exceeding two months)/Voter ID Card/Aadhaar Card/Passport/Domicile Certificate/Certificate Issued by a local authority)
- **Applicant's recent photograph** (not older than 6 months)
- **Quotation of Machinery**/other items to be purchases
- **Name of the Supplier**/Details of Machinery/Price of Machinery
- **Proof of Identity/Address of the Business Enterprise** (relevant licenses & certificates)
- **Proof of Category** (SC/ST/OBC/Minority etc)

Apart from the above-mentioned documents, individual banks could ask for other documents as needed. These are not supposed to claim any fee and the period of five years is the repayment. The applicant not be a default to any financial institute or bank.

#### DATA ANALYSIS AND INTERPRATATION

**Table 1: Showing the performance of PMMY under three Scheme of in Ballari (D)**

CATEGORY	BAN K	BRANC H	ACCOUNTS IN NUMBER		AMOUNT IN CRORE	
			TARGE TS	ACHIVE'N TS	TARGE TS	ACHIVE'N TS
RRB(PKGB)	1	84	2100	7926	10.5	33.287
COMMERCIAL BANK	22	170	4250	5265	21.2	22.12
PRIVATE BANK	9	29	725	127	3.67	0.53
<b>TOTAL</b>	<b>32</b>	<b>283</b>	<b>7075</b>	<b>13318</b>	<b>35.37</b>	<b>55.937</b>

**SOURCE:** syndicate: bank lead district office, Ballari

From table 1, it is analyzed that highest number of accounts targeted by commercial bank i.e., 4250 from 7075 no of participated bank i.e., 22. Lowest accounts targeted by private banks i.e., 725 from 7075 no of participated bank i.e., 9. More over RRB targeted 2100 no of accounts from 7075 no of participated banks i.e., 1. Highest achievement made by RRB i.e., 7926 accounts from 13318. Lowest achieved by private lesser than the target i.e., 127 accounts from 13318. And commercial bank achieved more than target i.e., 5265 accounts from 13318.

The reason i.e., RRB is the sole performer of PMMY it opens it branch in every urban and rural area and it is always communicating with formers as well as low level and middle level people. But private banks are not interested in this scheme for irregular repayment of loan and they need security. Commercial banks are operating so many schemes regarding financial inclusion they want concentrate on businessman but not formers as well low-level peoples.

**Table 2: Showing the performance of PMMY under Scheme of SHISHU in Ballari (D)**

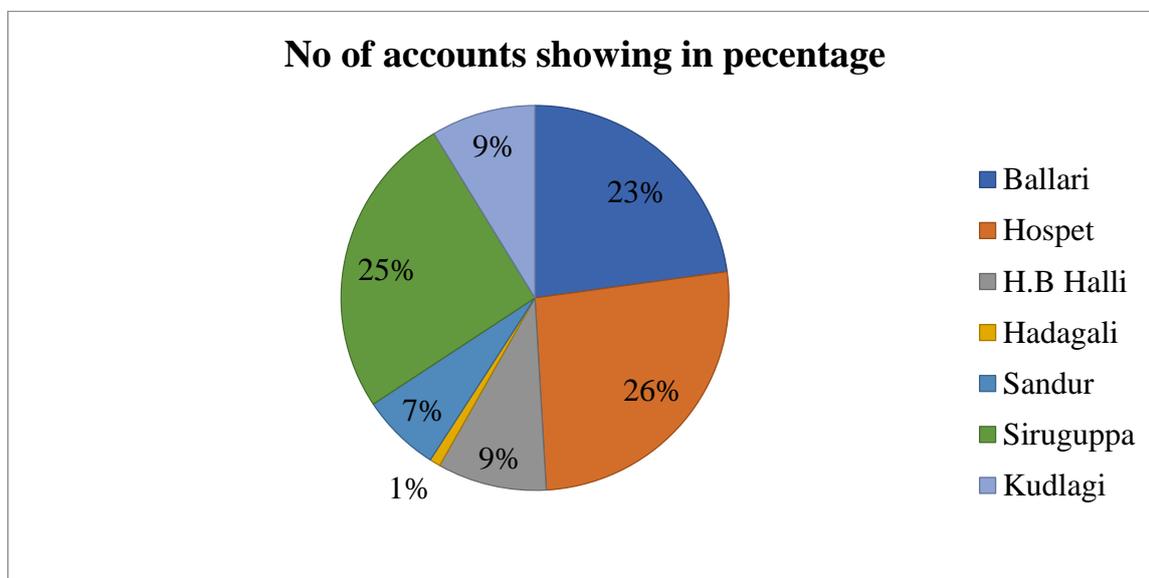
SHISHU					
NAME OF TALUK	No. of A/c	% of Accounts	Amount in Crore (Rs.)		
			SANCTION	DISBURSED	OUT STANDING
BALLARI	579	22.82%	52.36	42.23	41.82
HOSPET	<b>666</b>	<b>26.25%</b>	<b>66.42</b>	<b>52.91</b>	<b>51.92</b>
H.B HALLI	231	9.11%	23.75	18.97	18.76
HADAGALI	<b>23</b>	<b>0.90%</b>	<b>3.06</b>	<b>2.6</b>	<b>2.57</b>
SANDUR	168	6.62%	10.35	7.63	7.44

SIRUGUPPA	649	25.58%	66.2	41.36	41.3
KUDLAGI	221	8.72%	25.37	18.7	18.71
<b>TOTAL</b>	<b>2537</b>	<b>100%</b>	<b>247.50</b>	<b>184.4</b>	<b>183.52</b>

**SOURCE:** Syndicate: Bank Lead District Office, Ballari

**Chart 1: Showing the performance of PMMY under Scheme of SHISHU in Ballari (D)**

From Table 2, it is analyzed that, the highest number of accounts were opened in HOSPET, SIRUGUPPA and BALLIRI taluk, 26%, 25%, and 23% respectively under the scheme of SHISHU. On the other hand, HADAGALI taluk recorded the lowest number of accounts with 1% . All over by knowing this table highest amount sanctioned, disbursed and outstanding in HOSPET i.e., 66.42,52.91 and 51.92. SIRUGUPPA, i.e., 66.2, 41.36 and 41.3. BALLARI i.e., 52.36, 42.23 and 41.82. As well as lowest amount sanctioned, disbursed and outstanding in HADAGALI i.e.,3.06, 2.6 and 2.57.



The reason i.e., in Hosapete, Siruguppa, Ballari there is highest promotion activities conducted by. As well as more awareness created by banks. Those taluks having more industrial area as well as near to district. Banks were interested in giving loans to rural peoples but least consideration towards urban people.

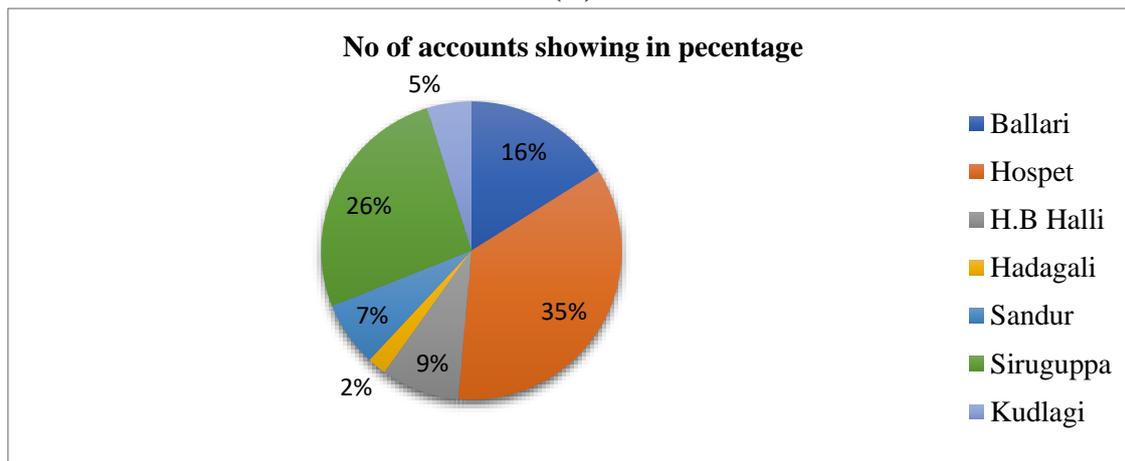
**Table 3: Showing the performance of PMMY under Scheme of KISHORE in Ballari (D)**

<b>KISHORE</b>					
Name of Taluk	No. of Accounts	% of Accounts	Amount in crore		
			Sanction	Disbursed	Outstanding
Ballari	141	16.04%	229.21	217.55	214.75
Hosapete	<b>311</b>	<b>35.38%</b>	<b>642.02</b>	<b>616.7</b>	<b>604.37</b>
H.B Halli	74	8.42%	93.3	91.76	90.32

Hadagali	<b>18</b>	<b>2.05%</b>	<b>27.96</b>	<b>27.96</b>	<b>27.77</b>
Sandur	62	7.05%	86.75	116.75	114.09
Siruguppa	231	26.28%	398.05	379.67	377.43
Kudlagi	42	4.78%	50.78	47.08	46.54
<b>TOTAL</b>	<b>879</b>	<b>100%</b>	<b>1558.06</b>	<b>1497.47</b>	<b>1475.27</b>

**SOURCE:** Syndicate: Bank Lead District Office, Ballari

**Chart 2: Showing the performance of PMMY under Scheme of KISHORE in Ballari (D)**



**SOURCE:** Syndicate: Bank Lead District Office, Ballari

From Table 3, it can be understood that, highest accounts were opened in HOSPET and SIRUGUPPA i.e., 35.38% and 26.28%. And lowest accounts were opened in HADAGALI. i.e., 2.05%. As well as the table shows highest amount sanctioned, disbursed and outstanding in Hospet i.e., 642.02, 616.7 and 604.37, Siruguppa taluk i.e., 398.05, 379.67 and 377.43 lowest amount sanctioned, disbursed and outstanding in Hadagali i.e., 27.96, 27.96 and 27.77 under the scheme of KISHORE.

The reason i.e., now days rural peoples are well aware about govt. schemes. There might be chance to get more promotional activities. Hospet and Siruguppa are having educated people. Mainly both taluk are having more industries compare to Hadagali and Kudligi.

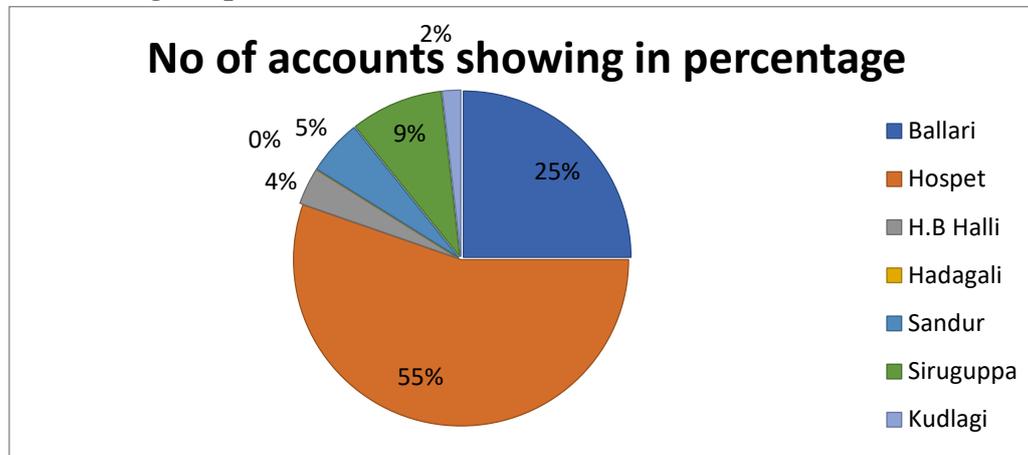
**Table 4: Showing the performance of PMMY under Scheme of TARUN in Ballari (D)**

<b>TARUN</b>					
<b>Name of taluk</b>	<b>No. of Accounts</b>	<b>% of Accounts</b>	<b>Sanction</b>	<b>Disbursed</b>	<b>Outstanding</b>
Ballari	14	25.00%	113	92.23	92.37
Hospet	<b>31</b>	<b>55.36%</b>	<b>234.65</b>	<b>198.48</b>	<b>197.87</b>
H.B Halli	2	3.57%	18	11.941	11.91
Hadagali	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sandur	3	5.36%	21.5	21.49	21.43
Siruguppa	5	8.93%	39.35	33.36	33.88

Kudlagi	1	1.78%	7	7	6.88
<b>Total</b>	<b>56.00</b>	<b>100.00</b>	<b>423.40</b>	<b>356.95</b>	<b>356.28</b>

**SOURCE:** Syndicate: Bank Lead District Office, Ballari

**Chart 3: Showing the performance of PMMY under Scheme of TARUN in Ballari (D)**



From table 4.4, it can be analyzed that highest accounts were opened in HOSPET and BALLARI under the scheme of TARUN i.e., 55.36% and 25%. Half of the total number of accounts opened in Hosapete. Lowest accounts were opened in Hadagali, Kudlagi, Sandur, Siruguppa. In respectively 0,1.2.3 and 5 accounts were opened. Highest amount also sanctioned, disbursed and outstanding in HOSPET i.e., 234.65, 198.48 and 197.87. BALLARI i.e., 113, 92.23 and 92.37. lowest amount sanctioned, disbursed and outstanding in KUDLAGI, SANDUR and SIRUGUPPA but HADAGALI doesn't have a single paisa under scheme of TARUN.

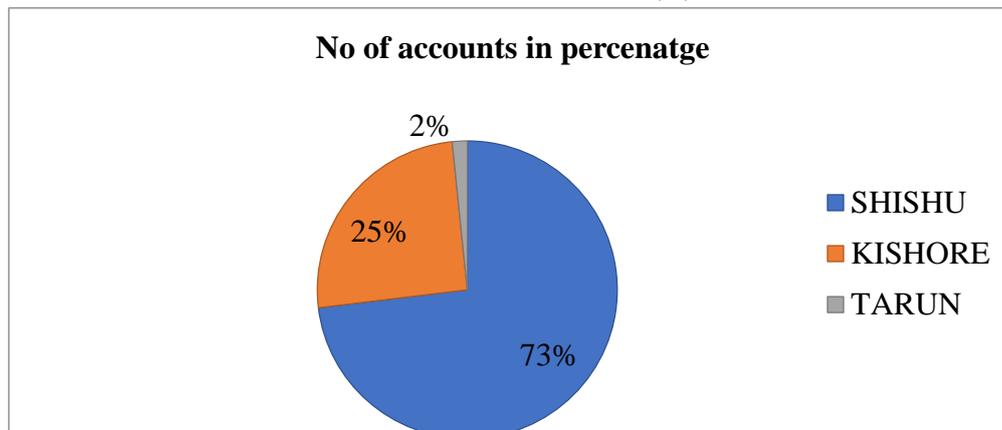
The reason i.e., under scheme of TARUN were not ready give loan to a common person under this scheme more than 5 lakh up to 10 lakh who are already running business who is sufficient customer to a bank. Banker is interested to give loan so in this reason only major part loans were sanctioned to industrial area i.e., Hosapete and Ballari.

**Table 5: Showing the performance of PMMY under three Scheme in Ballari (D)**

Name of taluk	No. of Accounts	% of Accounts	Sanction	Disbursed	Outstanding
SHISHU	2537	73.07%	247.51	184.4	183.07
KISHORE	879	25.32%	1558.06	1497.47	1475.27
TARUN	56	1.61%	423.40	356.95	356.28
<b>TOTAL</b>	<b>3472</b>	<b>100%</b>	<b>2228.95</b>	<b>2038.94</b>	<b>2014.62</b>

**SOURCE:** Syndicate: Bank Lead District Office, Ballari

**Chart 4: Showing the performance of PMMY under Scheme of SHISHU, KISHORE and TARUN in Ballari (D)**



From table 5, it analyzed that under the PMMY there is three schemes SHISHU, KISHORE and TARUN. Highest accounts were opened in SHISHU i.e., 73%, KISHORE i.e., 25% and TARUN i.e., 2% but highest amount sanctioned, disbursed and outstanding under the scheme of PPMY is KISHORE i.e., 1558.06, 1497.47 and 1475.27 than TARUNA and SHISHU in total amount of sanctioned disbursed and outstanding I.e., 2228.95, 2038.94 and 2014.62. Reason i.e., under the PMMY scheme there is a limitation to sanction amount to a individual In the scheme of Shishu is up to 50000 but in the scheme of KISHORE is up to 500000 and in the scheme of TARUN up to 1000000 so this is main reason to Kishore is the highest amount sanctioned disbursed and outstanding.

## MAJOR FINDINGS AND SUGGESTIONS

### FINDINGS

- It was found that majority of the RRB banks are participated and they achieve more than targeted and least performance by the private banks they achieve lesser than the targeted it shows those banks are not interested.
- It has been found that highest accounts were opened in Hospet and Siruguppa under the scheme of Shishu.
- There was highest amount sanctioned, disbursed and outstanding in Hosapete and Siruguppa.
- There was lowest amount sanctioned, disbursed and outstanding in Hadagali.
- The banks are concentrating only center of taluk and they provide benefit to major cities.
- The banks were providing only Shishu loans because it is less amount scheme.
- In Hadagali there is no single account under the scheme of Tarun.
- In overall performance Hosapete is most benefited taluk in Ballari dis.
- It was found that only promotional activities conducted in taluk places in Ballari dist.
- It was found less performance remaining taluk are Kudlagi, H.B.Halli and Hadagli.

## SUGGESTIONS

- The banks should give advertisement regarding PMMY
- The banks should create awareness about PMMY in urban area.
- The banks should give advisory note about PMMY.
- The banks should take initiative to create awareness to customer.
- The banks should approach to small scale farmers to get loan under Tarun scheme of PMMY.
- The banks should approach to govt. to increase Shishu loan. 50000 to 100000.
- The banks should give notice to customer to repay the loan as per in application.

## CONCLUSION

India recorded as the second highest population country in the world. It is unable to fulfill the employment opportunity to each individual by the government. The policy like PMMY will meet the aforesaid challenge and make self-employable characteristics among the people who were unemployed. This scheme is also concentrate on small sick units to restructure their business financially. With the lower interest and less procedure will be the most benefited opportunity for the common citizens. But as per Bank point of view, it is indigestible threat to maintain its NPA level by introducing this scheme. However, PMMY is the best scheme to support and develop small scale businesses, Agriculture and its allied activities, and also women entrepreneur. Every person can convert their dreams into achievements with the support of PMMY. Moreover, this scheme is in more favour of low level income people, urban people and women entrepreneur. This scheme helps to reduce the prevailing poverty in India.

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