

Analytical Review of Prime Minister Mudra Yojana (PMMY) towards Fostering Entrepreneurial Growth and Sustainability Development.

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Abstract:

With the ambitious goal of making India a five trillion global economy, it is imperative for the government of India to nurture and foster various sectors of the Indian economy including the Non-Corporate Small Business Sector (NCSBS). Nurturing and fostering of NCSBS in India shall not only be contributing towards making “Make in India”, another ambitious program of manufacturing of products and services in the country and for the world, but shall also facilitate creation of jobs for the burgeoning Indian population. However, NCSBS has been confronting with major challenges of lack of financial access and availability of timely loans due to collateral securities and financial guarantees requirements of banks and financial institutions.

MUDRA was registered in the month of March 2015 under the companies' act 2013. Mudra was launched by the honorable prime minister of India, Shri Narendra Modi on 08th April 2015 at a function held at Vigyan Bhawan, New Delhi to foster the Non-Corporate Small Business Sector (NCSBS) by providing timely loans to NCSBS under the specially designed government of India's scheme - Pradhan Mantri Mudra Yojna (PMMY).

This paper analyses the role and contribution of MUDRA Ltd towards nurturing and fostering Non-Corporate Small Business Sector (NCSBS) in India through Pradhan Mantri Mudra Yojna (PMMY). An analytical review of MUDRA Ltd and PMMY scheme has been undertaken since its inception and starting of operations in the year 2015. Different finance and lending schemes offered, the target and their achievement, the quantum of loans disbursement, the geographical outreach made by Mudra Ltd & PMMY scheme in different Indian states and regions and the different categories of beneficiary of PMMY schemes has been reviewed and analysed. This research is based on the secondary data which is mainly collected from the annual reports of Mudra Ltd and published data related to PMMY scheme. The period of this research study is for duration of seven-years, starting from the financial year 2015-16 to 2021- 22.

Key Words: Social Inclusion, Non-Corporate Small Business Sector, Pradhan Mantri Mudra Yojna, Entrepreneurship Development, Growth and Sustainability

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Introduction:

The Prime Minister Mudra Yojna (PMMY) was launched in 2015 and accordingly, Micro Units Development and Refinance Agency (MUDRA) was formed with the objective of promoting entrepreneurial growth and enhancing financial inclusion across India. The scheme primarily aims to provide micro-financing to small and micro-enterprises, especially in the non-corporate, non-farm sector, by offering collateral-free loans through three categories: Shishu, Kishore, and Tarun. By facilitating access to affordable credit, PMMY seeks to empower individuals, particularly from marginalized and underrepresented groups, to start and sustain their own businesses. This initiative not only aims to foster entrepreneurial spirit but also strives to contribute to the country's broader goals of inclusive economic growth and sustainable development. From a sustainability development perspective, PMMY aligns with key aspects of sustainable development,

particularly in promoting environmentally friendly business practices and creating long-term economic value. The scheme has facilitated the growth of enterprises that contribute to local economies, create jobs, and reduce regional economic disparities. Moreover, many of the businesses supported under PMMY are engaged in sectors that have a direct impact on sustainable development, such as agriculture, renewable energy, and eco-friendly products and services. By providing financial support to businesses with a focus on inclusive growth, the scheme fosters economic systems that are not only profitable but also socially and environmentally responsible.

PMMY's emphasis on financial inclusion further strengthens its contribution to sustainable development. It empowers disadvantaged communities - especially women, Scheduled Castes, Scheduled Tribes, and Other Backward Classes - by providing them with the financial tools necessary to succeed and thrive in an increasingly

competitive market. By facilitating access to credit without the barrier of collateral, PMMY encourages a diverse range of individuals to engage in sustainable business practices, thus supporting the United Nations' Sustainable Development Goals (SDGs), particularly in the areas of decent work, economic growth, and reduced inequalities.

Additionally, the long-term sustainability of PMMY-backed businesses is enhanced by the scheme's adaptability and focus on capacity-building. The provision of timely financial assistance, coupled with training and skill development, ensures that entrepreneurs can manage their ventures effectively while adapting to evolving market conditions. Through these measures, PMMY not only nurtures entrepreneurship but also ensures that the businesses it supports are built to endure, evolve, and contribute to the sustainable development of the nation.

2. Literature Review:

Bansal, P. (2002),¹ in his article, "The corporate social responsibility agenda: A study of the Canadian banking sector." highlighted that, sustainable entrepreneurship is deeply interconnected with Corporate Social Responsibility (CSR), where businesses seek to minimize negative environmental impacts while maintaining a competitive edge. Entrepreneurs who incorporate CSR strategies into their business models can build long-term sustainability and improve stakeholder relationships.

Mair, J., & Marti, I. (2006),² in their article, "Social entrepreneurship research: A source of explanation, prediction, and delight." emphasized that, social entrepreneurship has emerged as a key mechanism for addressing societal challenges, particularly in terms of achieving the UN SDGs. Social entrepreneurs tend to focus on solving problems related to poverty, education, and environmental sustainability while also generating profit.

Mair, J., & Marti, I. (2006),³ in their article, "Social entrepreneurship research: A source of explanation, prediction, and delight," highlighted that, social entrepreneurs address issues such as poverty, health care, education, and social justice. By creating ventures that have a positive social impact, they contribute directly to the social pillar of sustainable development. Social entrepreneurship is especially important in regions with high levels of inequality or lacking access to essential services.

Dean, T. J., & McMullen, J. S. (2007),⁴ in their article, "Toward a theory of sustainable entrepreneurship: Reducing environmental degradation through entrepreneurial action," highlighted that, entrepreneurial innovation is a major driver for sustainable development. Entrepreneurs often bring new products, services, and business models to the market that not only create economic value but also address societal and environmental issues. Green innovations, renewable energy ventures, and eco-friendly product development are key examples of how entrepreneurship leads to sustainable outcomes.

Hall, J., Daneke, G., & Lenox, M. (2010),⁵ in their article, "Sustainable development and entrepreneurship: Past contributions and future directions." highlighted that, despite the growing recognition of sustainable entrepreneurship, various barriers exist, such as lack of access to financing, regulatory challenges, and insufficient consumer demand for sustainable products. These barriers often impede the scalability of sustainable entrepreneurial ventures.

Schaltegger, S., & Wagner, M. (2011),⁶ in their article on "Sustainable entrepreneurship and sustainable business models: An introduction." emphasized that, entrepreneurs play a crucial role in driving sustainable development by introducing innovative solutions that address environmental, social, and economic challenges. Their activities not only create economic value but also foster social inclusion and environmental sustainability. Isenberg, D. (2011),⁷ in his article, "The entrepreneurship ecosystem strategy as a new paradigm for economic policy: Principles for developing countries" highlighted that, effective entrepreneurial ecosystems support sustainable entrepreneurship by providing the resources, networks, and support mechanisms needed to scale sustainable businesses. These ecosystems can include universities, government policies, financial institutions, and industry networks that collectively enable entrepreneurs to innovate and pursue sustainable business models.

Schaltegger, S., & Wagner, M. (2011),⁸ in their article, "Sustainable entrepreneurship and sustainable business models: An introduction." highlighted that, entrepreneurs contribute to sustainable development by identifying market opportunities that align with environmental and social goals. They introduce new business models that promote sustainability, such as circular economy models, eco-friendly technologies, and inclusive business practices. By doing so, entrepreneurs can address environmental degradation, poverty, and inequality while generating economic growth.

Kadyan, J. S. (2014),⁹ in his article, "Growth and development of corporate social responsibility in India," *Journal of Applied Management and Investment*, 3 (2), pp. 83-87, analyzed the different phases of growth & development of CSR & its contribution towards societal developments.

George, G., & Corbishley, C. M. (2019),¹⁰ in their article, "Sustainability and entrepreneurship: A review and research agenda" reviewed & explored the relationship between entrepreneurship and sustainability, proposing a research agenda that includes issues such as resource efficiency, societal impact, and sustainable business models.

Zahra, S. A., & Wright, M. (2020),¹¹ in their article, "Entrepreneurship and sustainable development: The role of social enterprises," examined the role of social enterprises in driving sustainable development through entrepreneurial activities that balance social, environmental, and economic goals.

Sweeney, E., & Ratte, T. (2020),¹² in their article, "The role of sustainable entrepreneurship in addressing climate change. *Business Strategy and the*

Environment,” discussed how sustainable entrepreneurship can play a pivotal role in mitigating climate change, focusing on innovative business models and practices that promote environmental sustainability. Littunen, H., & Törmänen, J. (2021),¹³ in their article, “Entrepreneurship, innovation, and sustainability: A systematic literature review,” systematically reviewed the literature on entrepreneurship, innovation, and sustainability, examining key trends and the impact of sustainable practices on entrepreneurial success.

Kadyan, Jagbir Singh. (2021),¹⁴ in his article, “Corporate Social Responsibility,” discussed the role of corporates towards their social responsibility and the contributions they make towards societal & entrepreneurship development.

Müller, F., & Wächter, F. (2022),¹⁵ in their article, “Sustainable entrepreneurship: The role of innovation and corporate social responsibility,” explored the role of innovation and corporate social responsibility (CSR) in sustainable entrepreneurship, offering insights into how entrepreneurs can foster both economic and social sustainability.

Kadyan, Sneha. Kadyan, Jagbir Singh. (2023),¹⁶ in their article, “Exploring ethical consumption for equity and inclusiveness: Bridging thoughts and action of consumer” highlighted that, transparency and communication of the ethical investment of consumers in purchasing and consuming ethical products needs to be more pronounced for thoughts to reflect in ethical conscious practices.

Kadyan, J. S., Naser, M.A., Jenefa, L. (2023),¹⁷ in their article, “Analysis of CSR initiatives by CPSE’s Central Public Sector Enterprises of India” analysed the corporate social initiatives undertaken by the top ten profit-making CPSEs of India and its socio-economic benefits towards Sustainable Development of the society.

López-Vega, H., & Orozco, J. (2023),¹⁸ in their article, “Entrepreneurship and sustainability: A review and future research agenda,” provided a comprehensive review of the intersection between entrepreneurship and sustainability and proposes a future research agenda to advance the field.

3. Research Methodology:

This research is based on the secondary data from MUDRA Ltd, which is a company formed in the year

2015 by the government of India for the purpose of fostering & developing entrepreneurial development within the country. Explorative as well as descriptive analysis has been done to assess the prime minister mudra yojana towards fostering entrepreneurial growth and sustainability development. Various trends, percentage & ratios are predominantly used for the analysis of the various funding schemes offered by MUDRA Ltd. Analysis with references to the performances of lending institutions / Agencies offering PMMY Loans, the Categories of PMMY Loans offered, the Categories of PMMY Loans Borrowers and The Women, New Entrepreneurs & Minorities borrowers has been done. The sustainability perspectives in relations to all the above-mentioned analysis has also been done.

Analyses with references to the lending performances of the associated the institutions / agencies has been done. Similarly, the performances of different kinds of loans offered and the different class & categories of the beneficiaries / borrowers has also been analysed. The sustainability perspectives have also been mentioned for all the above analysis. The duration of this study is for the period of eight years starting from the financial year 2015-16 to 2023-24.

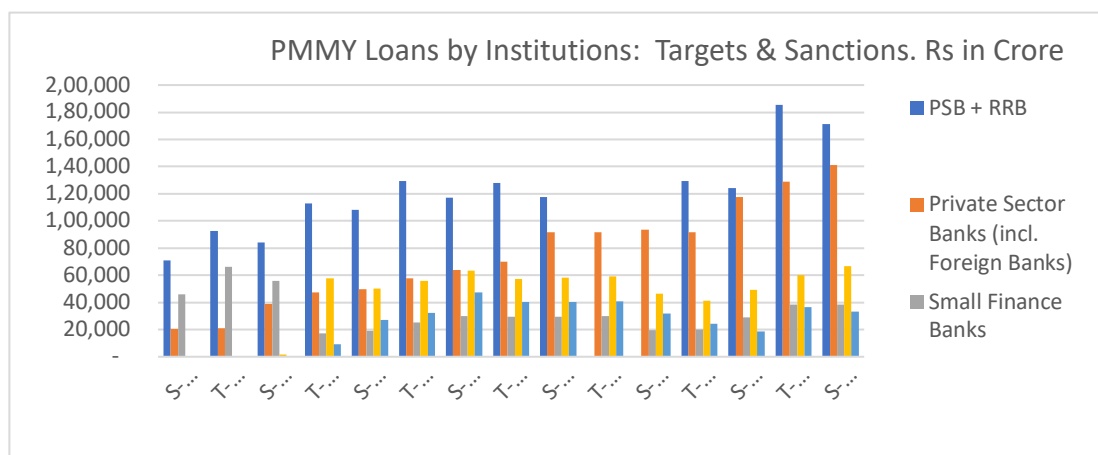
4. Data Analysis & Interpretations:

In this analysis, we have attempted intercomparisons, among different aspects of PMMY Loans disbursed, the types of loans, the borrowers along with the sustainability perspectives associated with the entrepreneurship development & sustainability. The goal is to analyze & understand the relative performances in terms of meeting targets, growth trends, and fluctuations. The sustainability perspectives associated with all the analysis has also been added. The duration of the study is for a period of eight years starting from the financial year 2015-16 to 2022-23.

4.1. Intercomparison of PMMY loans by different institutions.

According to the table no.01 above, we have compared the growth and performance of PMMY loans by different financial institutions across both their Target (T) and Sanction (S) values from the financial year 2016-17 to 2022-23. The sustainability perspective of entrepreneurship & the sustainability has also been analysed.

Table no.01. Intercomparison of PMMY loans by different institutions.



Source: Authors Compilation.

a. Public Sector Banks vs. Private Sector Banks

Growth in Target (T): While the targets of Public Sector Banks rose from ₹ 92,700 in 2016-17 to ₹ 185,460 in 2022-23, Public Sector Banks grew steadily over the 7 years, the Private Sector Banks saw a more dramatic increase in targets, growing from ₹ 21,000 in 2016-17 to ₹ 128,700 in 2022-23. This represents a much higher percentage growth compared to Public Sector Banks.

Growth in Sanction (S): While the targets of Public Sector Banks sanctions values grew from ₹ 83,963 in 2016-17 to ₹ 171,118.78 in 2022-23, showing consistent growth with some minor fluctuations, especially in 2020-21 and 2021-22, the Private Sector Banks sanction values rose similarly, from ₹ 39,043 in 2016-17 to ₹ 141,116 in 2022-23. However, Private Sector Banks consistently showed a higher rate of increase than Public Sector Banks, as seen in the larger gap between target and sanction for Public Sector Banks, reflecting that Private Sector Banks are potentially exceeding their targets more frequently.

Comparison Insights: While the Private Sector Banks have demonstrated higher growth rates both in targets and sanctions, indicating more aggressive expansion and higher market demand, the Public Sector Banks show stable growth but are growing at a slower pace compared to Private Sector Banks, with slightly more fluctuations in meeting their sanctioned amounts.

b. Public Sector Banks vs. Small Finance Banks

Growth in Target (T): While the Public Sector Banks experienced steady growth in targets, reaching ₹185,460 by 2022-23, Small Finance Banks showed greater volatility. After a sharp decline in 2017-18, targets rebounded to ₹ 29,200 by 2021-22.

Growth in Sanction (S): While the Public Sector Banks: Sanctions grew steadily from ₹ 83,963 in 2016-17 to ₹ 171,118.78 in 2022-23, Small Finance Banks: Their sanctions fluctuated similarly to their targets, initially dropping in 2017-18 but gradually recovering to ₹ 38,297 by 2022-23.

Comparison Insights: While the Public Sector Banks show much stronger growth in both targets and sanctions

compared to Small Finance Banks, whose performance has been much more volatile. The large gap between Public Sector Banks' targets and sanctions compared to Small Finance Banks indicates that Public Sector Banks are more consistent in meeting their targets.

c. Private Sector Banks vs. Small Finance Banks

Growth in Target (T): While the Private Sector Banks achieved remarkable growth, increasing targets from ₹ 21,000 in 2016-17 to ₹ 128,700 in 2022-23, the Small Finance Banks experienced a decline in targets in 2017-18, followed by gradual growth, but the total reached ₹ 29,200 by 2021-22, which is far lower than Private Sector Banks.

Growth in Sanction (S): While the Private Sector Banks: Sanctions rose from 39,043 in 2016-17 to ₹141,116 in 2022-23, showing a steady upward trajectory, the Small Finance Banks sanctions dropped in 2017-18 and gradually increased to ₹ 38,297 by 2022-23, which is still much lower than Private Sector Banks' sanctions.

Comparison Insights: While the Private Sector Banks outperformed Small Finance Banks both in terms of growth rates and total figures. Small Finance Banks struggled with early volatility, which limited their overall growth, while Private Sector Banks grew at a much faster and steadier rate, reflecting their stronger market position and broader financial outreach.

d. Public Sector Banks vs. Micro Finance Institutions

Growth in Target (T): While the Public Sector Banks: Targets grew steadily, reaching ₹ 185,460 by 2022-23, Micro Finance Institutions saw an exponential rise in targets, from ₹ 1,866 in 2016-17 to ₹ 60,260 in 2022-23, outpacing the growth of Public Sector Banks.

Growth in Sanction (S): While the Public Sector Banks: Sanctions grew steadily, reaching ₹ 171,118.78 by 2022-23, Micro Finance Institutions sanctions grew rapidly from ₹ 50,144 in 2017-18 to ₹ 66,830.62 in 2022-23, demonstrating strong upward momentum, though not as large as Public Sector Banks' sanctions.

Comparison Insights: Micro Finance Institutions exhibited an impressive growth rate in both targets and

sanctions, though they still fall short of the scale of Public Sector Banks in terms of absolute values. The exponential growth of Micro Finance Institutions suggests a strong and expanding market, possibly driven by increased focus on financial inclusion and micro-lending.

e. Private Sector Banks vs. Micro Finance Institutions

Growth in Target (T): While the Private Sector Banks experienced significant growth in targets, reaching ₹ 128,700 in 2022-23, Micro Finance Institutions also demonstrated rapid growth, reaching ₹ 60,260 in 2022-23, but their targets are still half of Private Sector Banks.

Growth in Sanction (S): While the Private Sector Banks: Saw steady growth in sanctions, reaching ₹ 141,116 by 2022-23, Micro Finance Institutions sanctions grew similarly, reaching ₹ 66,830.62 by 2022-23.

Comparison Insights: Private Sector Banks significantly outperformed Micro Finance Institutions in terms of total target and sanction values, but the growth rates of Micro Finance Institutions are noteworthy, especially considering their smaller starting points. Micro Finance Institutions could be experiencing a more targeted growth in a specific segment (financial inclusion), whereas Private Sector Banks are expanding more broadly.

f. Non-Banking Finance Companies (NBFCs)

Growth in Target (T): NBFCs showed fluctuating trends in targets, peaking in 2019-20 ₹ (47,137) before dropping in 2020-21 ₹ (24,350) and recovering slightly by 2022-23 ₹ (33,061.27). **Growth in Sanction (S):** NBFCs sanctions followed a similar pattern, peaking in 2019-20 ₹ (40,518) and then declining in 2020-21 ₹ (18,697) before recovering to ₹ 33,061.27 in 2022-23.

Comparison Insights: NBFCs experienced significant volatility in both targets and sanctions compared to the other sector. The decline in 2020-21 may reflect external pressures like market fluctuations, regulatory changes,

or liquidity challenges, but the recovery in the following years indicates resilience.

g. Sustainability perspectives of PMMY Loans.

According to the table no.01 above, we can say that, the performance of the financial institutions catering to entrepreneurship development can be closely tied to sustainable development goals (SDGs) across the few of the following key areas:

i. Economic Growth: Through consistent expansion, Public and Private Sector Banks contribute to the economic development of countries, supporting infrastructure projects, business growth, and innovation.

ii. Financial Inclusion: Small Finance Banks, Micro Finance Institutions, and NBFCs are integral in providing financial services to underserved and low-income groups, contributing to social sustainability by reducing poverty, inequality, and providing opportunities for entrepreneurship.

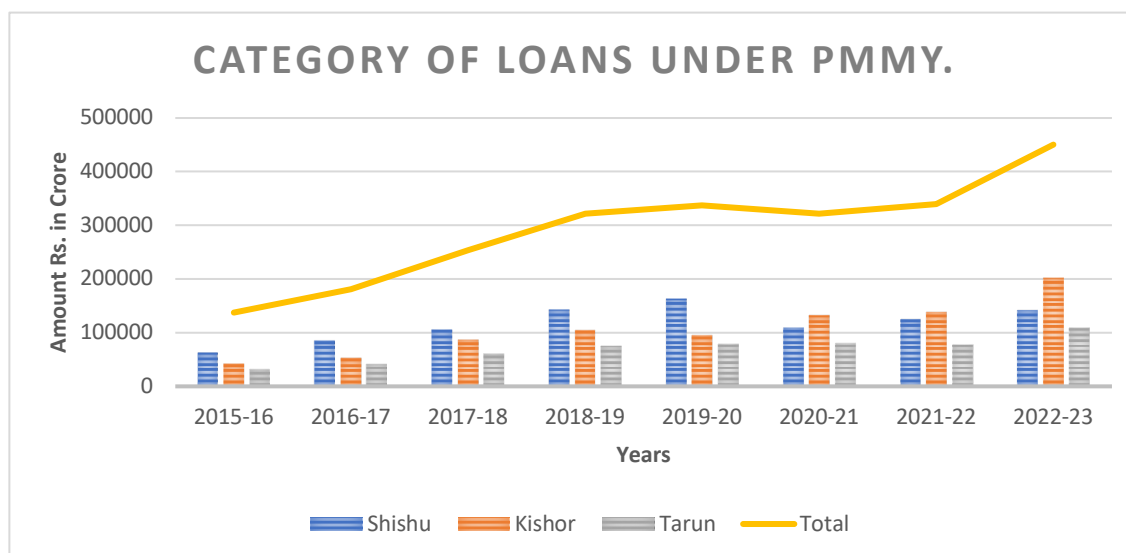
By aligning their operations with sustainability principles, these financial institutions can play a vital role in fostering an inclusive, resilient, and sustainable economy. The growth patterns observed suggest that financial services are increasingly becoming central to social and environmental well-being, making them key players in the achievement of global sustainability goals.

4.2. Category of Loans under PMMY:

We have analysed the different categories of PMMY loans offered to the entrepreneurs with respect to their growth, trends & fluctuations along with its sustainability perspectives associated with the entrepreneurship development & sustainability.

a. Category of PMMY Loans: There are three different categories of PMMY Loans offered, viz., Shishu, Kishore & Tarun. The categories represent different loan sizes, typically associated with various business stages. While **Shishu loans** are for new and smaller businesses or startups, **Kishore loans** are for the growing businesses and **Tarun loans** for more established businesses or larger enterprises.

Table no. 02: Category of Loans under PMMY.



Source: Authors Compilation.

As per table no. 02 above, the sanctioned loan amounts across three categories—Shishu, Kishor, and Tarun for the eight years period starting from the financial year 2015-16 to 2022-23 shows a **consistent year-on-year increase**, with some fluctuations across the individual categories (Shishu, Kishor, Tarun). Below is the detailed descriptive analysis of each category and the total over time.

i. Shishu Category: This category of PMMY loan likely represent the loans for micro-level borrowers or smaller businesses entrepreneur as per the table 02 above, during the year 2015-16 loans amounting ₹ 62,895 crore were issued which peaked to ₹ 1,63,559 crore during the year 2019-20 and was at ₹ 1.41.610 during the year 2022-23 resulting in an increase of 125% over the eight years of the study.

ii. Kishor Category: This category of PMMY loan likely represents the loans for small to medium-sized businesses entrepreneurs or higher-value borrower as per table no. 2 above, during the period 2015-16 loans amounting ₹ 43,053 crore were issued which peaked to ₹ 200,937 crore during the year 2022-23 resulting in an increase of approximately 367% over eight years.

iii. Tarun Category: This category of PMMY loan likely represents the loans for large or more mature business entrepreneur as per table no. 2 above, during the period 2015-16 loans amounting ₹ 31,502 crore were issued which peaked to Rs 107.877 crore during the year 2022-23 resulting in an increase of 242% over eight years

iv. Total Sanctions of PMMY Loans: The sum total of all the different category of PMMY loans sanctioned to the entrepreneurs during the year 2015-16 was amounting ₹ 137,449 crore, which peaked to ₹ 450,424 crore during the year 2022-23 resulting in an increase of 227% over eight years.

The total loan sanctions show a clear upward trajectory, especially after 2019-20, with the biggest increase between 2020-21 and 2022-23. The total sanctioned amount nearly tripled over the period, which indicates a

robust growth in the financial support being provided across all categories. The total in 2022-23 reached its highest level, reflecting a significant expansion of loan availability or demand.

b. Sustainability perspectives.

As per the table no.02 above, reflects upon the financial inclusion efforts and how loans have been extended to different borrower categories, which can have implications for sustainable development. The categories represent different loan sizes, typically associated with various business stages. From the Sustainability perspective, we can analyse the lending in terms of **economic growth & social inclusion** as under.

i. Growth in Total Loan Disbursements:

The total loan disbursement has grown consistently from ₹ 137,449 in 2015-16 to ₹ 450,424 in 2022-23. This significant increase (over 3 times growth) indicates a stronger financial system and economic growth over the year. The growth in loans can be considered a key driver of economic sustainability. By supporting businesses at various stages of their development, these loans help contribute to job creation, income generation, and local economic development.

The breakdown of loan categories shows that the majority of loans are going to the Shishu and Kishor categories, which primarily focus on new businesses and growing businesses. This is crucial for supporting entrepreneurship, especially in underserved areas, which is an essential element of inclusive economic growth. Shishu loans grew steadily, from ₹62,895 in 2015-16 to ₹141,610 in 2022-23. This shows increasing access to finance for startups and micro-businesses, which are typically underserved by traditional financial institutions. Supporting small businesses is vital for poverty alleviation and economic growth.

ii. Financial Inclusion: The data highlights an increasing trend in loans for Shishu (micro-level

borrowers), who are often the most financially excluded groups. The growth in Shishu loans is a key indicator of financial inclusion for the poor and vulnerable sections of society, helping to reduce barriers to credit access. Kishor and Tarun loans, while aimed at larger businesses, also play a critical role in job creation and fostering economic empowerment in local communities, contributing to poverty reduction (SDG 1: No Poverty) and economic empowerment (SDG 8: Decent Work and Economic Growth).

iii. Empowering Women and Marginalized Groups:

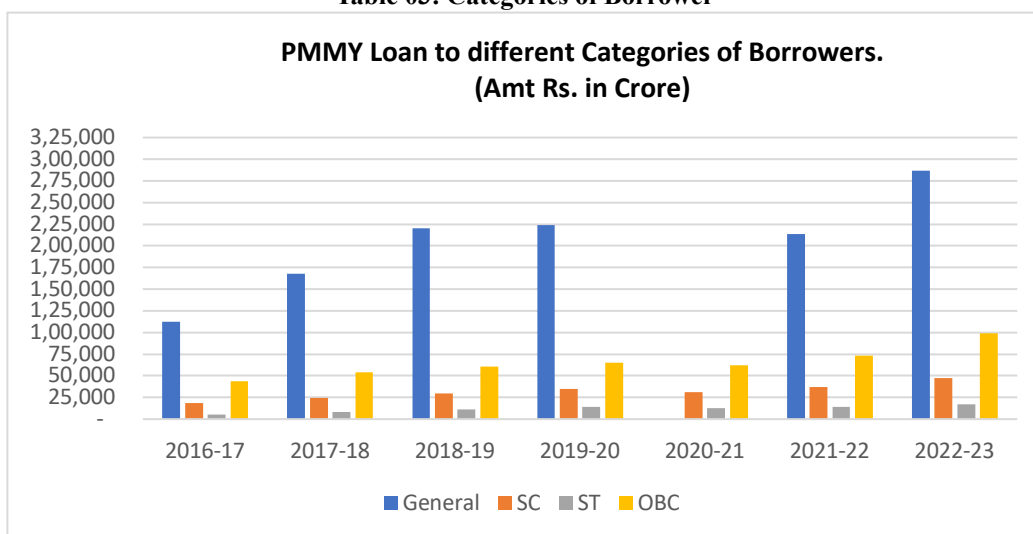
It can be inferred that the Shishu loans, which make up a large portion of the total disbursements, are likely to benefit small-scale entrepreneurs, many of whom are women or marginalized groups. The growth of Shishu loans provides an opportunity for gender equality (SDG 5) and social mobility among traditionally excluded groups.

iv. Economic Resilience: The significant increase in the total loan disbursements over the years, even during challenging periods such as 2020-21 (which may have been impacted by the pandemic), highlights the economic resilience of both the financial system and the businesses it supports. Financial systems that can weather economic shocks and continue to support business growth contribute to sustainable economic stability.

4.3. PMMY loans to Different Categories of Borrowers:

PMMY loan borrowers are categorized into General, SC-Schedule Caste, ST- Schedule Tribe & OBC – Other Backward Class. We have analysed the different categories of borrowers of PMMY loans with respect to their growth, trends & fluctuations along with its sustainability perspectives associated with the entrepreneurship development & sustainability.

Table 03: Categories of Borrower



Source: Authors Compilation.

Table no. 03 above, highlights PMMY Loans sanctioned to different categories of borrowers, including General, SC (Scheduled Castes), ST (Scheduled Tribes), and OBC (Other Backward Classes), over a period of eight years starting from 2015-16 to 2022-23.

i. General Category: The sanctioned amount for the General category has shown a consistent increase, rising from ₹1,12,585 Crore in 2015-16 to ₹2,86,446 Crore in 2022-23. The growth was especially notable between 2015-16 and 2020-21, where the sanctioned amount grew from ₹1,12,585 Crore to ₹2,13,884 Crore. The increase continued over the following years, albeit at a slower pace. Despite some fluctuations in the subsequent years, the General category has received the largest share of the total sanctions in each year.

ii. SC (Scheduled Castes): The sanctioned amount for the SC category has also seen a steady rise, from ₹18,898 Crore in 2015-16 to ₹47,272 Crore in 2022-23. The increase is especially significant in the early years, with

a rise from ₹18,898 Crore to ₹37,304 Crore between 2015-16 and 2020-21. The rate of increase appears to be more moderate in the later years, but the overall growth over the period remains robust.

iii. ST (Scheduled Tribes): Similar to SC, the sanctioned amount for the ST category has grown steadily from ₹5,273 Crore in 2015-16 to ₹17,294 Crore in 2022-23. The rise in sanctioned amounts is more gradual but consistent, with a noticeable increase from ₹5,273 Crore in 2015-16 to ₹12,730 Crore in 2019-20. After 2020-21, the increase slows down slightly.

iv. OBC (Other Backward Classes): The OBC category has seen a significant growth in sanctioned amounts, rising from ₹43,773 Crore in 2015-16 to ₹99,412 Crore in 2022-23. The increase is particularly notable from 2015-16 to 2020-21, where the amount grew from ₹43,773 Crore to ₹73,470 Crore. There was a sharp rise in the last two years (2021-22 and 2022-23), reaching ₹99,412 Crore by 2022-23.

v. Total Sanctions: The total sanctioned amount across all categories has seen substantial growth, from ₹1,80,529 Crore in 2015-16 to ₹4,50,424 Crore in 2022-23. This total reflects the combined increase in all categories, with the General category continuing to make up the largest portion of the total sanctions. The total amount saw steady increases every year, with the most considerable jumps occurring between 2017-18 and 2020-21.

It is observed that, over the eight-year period, the sanctioned amounts for all categories (General, SC, ST, and OBC) have shown consistent growth. While the General category continues to receive the largest share, there has been significant progress in the allocations for SC, ST, and OBC categories, reflecting a broader and more inclusive approach in the allocation of funds. The overall growth in total sanctions underscores an increase in investments and focus on welfare initiatives across various socio-economic groups.

vi. Sustainability Perspective on PMMY Loans to different categories of Borrowers:

According to the Table no 03 above, loans to different categories of borrowers – viz., General, SC (Scheduled Caste), ST (Scheduled Tribe), and OBC (Other Backward Classes) provides key insights into financial inclusion and its role in sustainable development. This analysis highlights the link between social inclusion, economic empowerment, and the broader goals of sustainable development.

a. Social Inclusion and Poverty Alleviation.

The sanctioned amount for Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC) has grown over the years, indicating improving access to finance for marginalized communities.

While the Scheduled Castes (SC) Loan sanctions increased from 18,898 crore in 2015-16 to ₹47,272 crore in 2022-23, showing a significant growth of approximately 150%, Scheduled Tribes (ST) Loan sanctions rose from ₹5,273 crore in 2015-16 to 17,293 crore in 2022-23, marking a growth of over 200%. Similarly, the Other Backward Classes (OBC) Loan sanctions also grew from ₹43,773 crore in 2015-16 to ₹99,411 crore in 2022-23, reflecting a growth of about 127%.

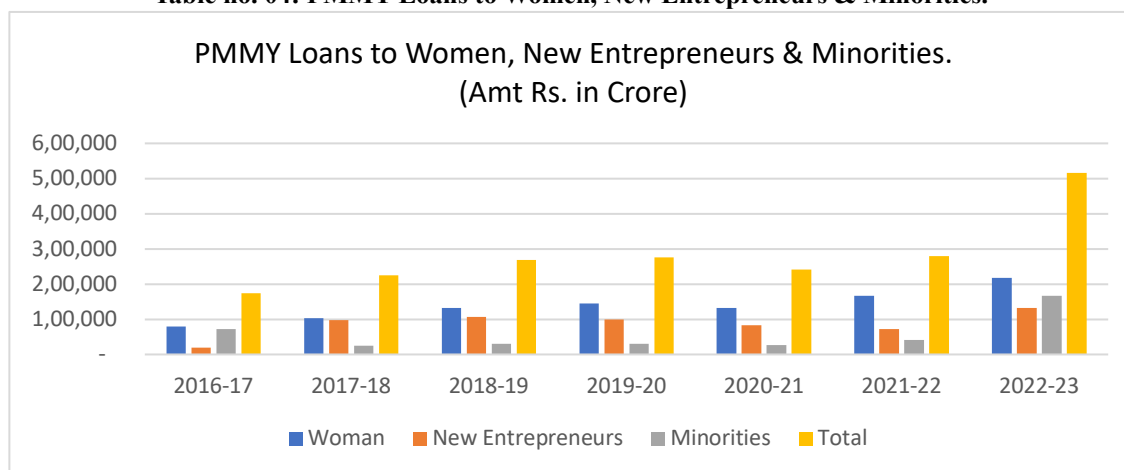
This indicates that financial institutions are playing a crucial role in reducing economic inequality and providing economic opportunities to historically disadvantaged communities, in line with the goals of social sustainability.

b. Economic Empowerment and Inclusive Growth.

Increased Loan Disbursement to Marginalized Groups: The increasing trend in PMMY loans to marginalised groups like SC, ST, and OBC borrowers suggests that financial institutions are supporting entrepreneurship and business development within these communities. This is critical for inclusive growth (SDG 8: Decent Work and Economic Growth). By providing access to loans for small businesses, self-employment, and income-generating activities, financial institutions are helping to empower these communities economically and foster job creation. The rise in loan amounts also contributes to poverty alleviation by allowing individuals and communities to invest in skills development, agriculture, and small enterprises, improving their standard of living.

4.4. Women, New Entrepreneurs & Minorities.

Table no. 04: PMMY Loans to Women, New Entrepreneurs & Minorities.



Source: Authors Compilation.

According to the above Table no. 04, PMMY Loans to Women, New Entrepreneurs & Minorities, it is observed that, The sanctioned amount for **Women** shows a steady increase over the years, with a noticeable jump starting

from 2016-17. From ₹ 80,290 Crore in 2015-16, the amount rises almost every year, reaching ₹ 216,954 Crore by 2022-23, 2.7 times of increase. The growth rate is somewhat volatile, with a slight dip in 2019-20 (₹ 131,303 Crore), but it rebounds significantly from 2020-

21 onward. Thus, the focus on women's financial empowerment seems to be intensifying, with increasing amounts being sanctioned each year.

The sanctioned amounts for **New Entrepreneurs** exhibit some fluctuations, with the highest being ₹ 106,033 Crore in 2017-18. After peaking in 2017-18, the sanctioned amount falls to ₹ 99,263 Crore in 2018-19, then drops significantly to ₹ 83,337 Crore in 2019-20. There is a sharp decline during the pandemic period (2020-21), but it rebounds to ₹ 132,693 Crore in 2022-23, marking a growth of 83% from the pandemic year. Thus, New entrepreneurs saw a significant boost in funding in recent years, especially post-2020, possibly due to government or institutional support aimed at revitalizing entrepreneurship after the pandemic.

The sanctioned amount for **Minorities** shows significant volatility over the year from ₹ 72,960 Crore in 2015-16, there is a sharp decline in 2016-17 (₹ 24,092 Crore), followed by a slight recovery until 2019-20. The numbers start rising dramatically after 2020-21, reaching a substantial peak of ₹ 165,955 Crore in 2022-23, which is 2.27 times the 2020-21 amount. Thus, Minority-focused financing fluctuates sharply but has witnessed substantial growth in the post-2020 period, which may indicate a change in policy or more targeted financial interventions.

Sustainability Perspective.

As per the above table no. 04 above, we can assess that the role these borrower groups play in promoting sustainable development.

i. Women Borrowers: The loans sanctioned to women borrowers show a consistent upward trend, indicating growing financial inclusion and empowerment of women. The amounts sanctioned to women borrowers increased significantly from ₹ 80,290 Crore in 2015-16 to ₹ 216,954 Crore in 2022-23, which is a rise of over 170%. This substantial increase is indicative of the financial sector's recognition of the importance of empowering women for sustainable development.

From the Sustainability Perspective, Women's financial empowerment has long-term positive effects on sustainable development. Women tend to invest more in their families, especially in education, health, and nutrition, which in turn leads to improved human capital and future generations' well-being. Moreover, when women are economically active, they contribute to both household and national economies, fostering greater stability and reducing inequality.

ii. New Entrepreneurs: New entrepreneurs, often including individuals from lower-income backgrounds or those entering new markets, have also received significant financial support. While the sanctioned amounts have fluctuated over the years, the figures show a recovery and growth in recent year from ₹20,276 Crore in 2015-16, the amount increased to ₹132,693 Crore in 2022-23, representing a growth of over 500%.

From the Sustainability Perspective, supporting new entrepreneurs, especially in emerging sectors or with innovative business models, encourages diversification

of the economy. Entrepreneurship fosters job creation, drives innovation, and supports the development of local economies. By focusing on new and diverse enterprises, there is potential for balanced regional development, improved economic resilience, and lower unemployment, all of which contribute to the sustainability of the broader economy.

iii. Minorities: Loans sanctioned to minority borrowers saw a significant increase from ₹ 72,960 Crore in 2015-16 to ₹165,955 Crore in 2022-23, almost a doubling in the period. However, there is a notable dip in the years 2016-17 to 2019-20, which could indicate fluctuations in access to finance for minority communities. Nonetheless, the steady recovery in recent years signals an increasing recognition of the need to provide equal financial opportunities to minorities.

From the Sustainability Perspective, supporting minorities ensures that economic development is inclusive and equitable. When marginalized communities are financially included, they can contribute to and benefit from economic growth, reducing inequality and promoting social cohesion. Ensuring that minority groups have access to loans enables them to start businesses, access education, and improve their living standards, which is vital for long-term social sustainability.

5. Conclusions:

The conclusions have been made based on the analysis with references to the performances of lending institutions / Agencies offering PMMY Loans, the Categories of PMMY Loans offered, the Categories of PMMY Loans Borrowers and The Women, New Entrepreneurs & Minorities borrowers has been done. The sustainability perspectives in relations to all the above-mentioned analysis has also been done.

1. **Based on the analysis of intercomparison of financial institutions offering PMMY Loans**, we conclude that, while Private Sector Banks outperform all other sectors in terms of both total target and sanction values, with the strongest and most consistent growth. Public Sector Banks have steady growth, but their target and sanction values are more stable and relatively lower than those of Private Sector Banks.

2. Small Finance Banks show high volatility, with significant drops early in the period but gradual recovery in later year Micro Finance Institutions have the highest growth rates relative to their initial values, suggesting a booming market, though they still fall behind in absolute values compared to Public and Private Sector Banks. Similarly, NBFCs experienced volatility, with a significant dip during 2020-21, possibly due to external factors, but have shown signs of recovery.

3. Accordingly, we can finally conclude that, Private Sector Banks are the leaders in both growth and total values, while Micro Finance Institutions and Small Finance Banks show impressive growth but face challenges in terms of volatility and overall scale. NBFCs are more volatile but are showing signs of

recovery after a dip. Public Sector Banks, while steady, face slower growth compared to the Private Sector.

4. From a sustainability perspective, while there is progress in terms of financial inclusion and growth, the volatility seen in some sectors (like Small Finance Banks and NBFCs) and the underperformance of Public Sector Banks in meeting their targets suggest areas for improvement. A more resilient and efficient financial ecosystem is crucial for supporting long-term economic & social sustainability. The focus should be on improving the operational efficiency of PSBs, ensuring more consistent growth across sectors, and enhancing support for marginalized communities to ensure broad-based, sustainable development.

5. **Based on the analysis Categories of PMMY Loans** offered. While **Shishu** loans to entrepreneurs saw a **steady increase** in sanctions from 2015-16 through to 2019-20, marking the highest growth during this period. However, there was a notable decline in 2020-21, potentially due to the impact of the COVID-19 pandemic. Despite this, the category still experienced a strong recovery, as evidenced by its return to ₹ 141,610 Crore by 2022-23, reflecting a strong sustained demand for micro-level loans. **Kishore** category of PMMY loans to entrepreneurs exhibited significant growth in loan sanctions, particularly between 2019-20 and 2022-23. This may reflect the increasing access to financing for small businesses entrepreneurs or the expansion of financing programs during this period. The sharp increase in 2021-22 and 2022-23 indicates a recovery from any disruptions caused in 2020-21, with an impressive rise of nearly 4.5 times in just three years. **Tarun** category of PMMY loans to entrepreneurs exhibited consistent upward trend, although the growth was less rapid compared to Kishor. The category did face a slight dip in 2020-21, possibly due to the same pandemic-related disruptions affecting other categories. However, the steady recovery in 2021-22 and 2022-23 brought it back to a high growth rate, concluding the period with the highest sanctioned amount in 2022-23 at ₹ 107,877 Crore.

6. From the sustainability perspective, the increasing disbursement of loans over the years, particularly to small and micro businesses (Shishu and Kishor), highlights a strong commitment to economic growth, financial inclusion, and poverty alleviation, which are key pillars of sustainable development. By continuing to focus on providing financial support to underserved communities and businesses, financial institutions play a pivotal role in promoting inclusive and resilient economies.

7. **Based on the analysis of Categories of PMMY Loans Borrowers**, while the General category borrowers has increased steadily from ₹ 112,585 Crore in 2015-16 to ₹ 286,446 Crore in 2022-23, marking the largest share in total funding allocation. SC has shown an overall increase from ₹ 18,898 Crore in 2015-16 to ₹ 47,272 Crore in 2022-23. While the growth is significant, there was a dip in 2019-20 and 2020-21 (₹

30,824 Crore and ₹ 37,304 Crore, respectively), but it recovered and continued increasing after that. Similarly, funding for ST has increased over time, from ₹ 5,273 Crore in 2015-16 to ₹ 17,294 Crore in 2022-23. The growth is more moderate compared to SC but still indicates an upward trend. OBC funding has grown substantially, from ₹ 43,773 Crore in 2015-16 to ₹ 99,412 Crore in 2022-23. This represents one of the highest growth rates among the categories, reflecting a significant focus on supporting the OBC population.

8. Although the General category has the highest funding, the relative growth in sanctioned amounts for SC, ST, and OBC shows an increasing focus on marginalized communities, reflecting a shift towards more inclusive funding. In terms of percentage growth, SC, ST, and OBC categories have witnessed relatively higher growth rates compared to the General category, indicating a more targeted allocation of funds towards these groups over time.

9. From Sustainability perspective, the growing loan amounts sanctioned to SC, ST, and OBC borrowers from 2015-16 to 2022-23 represent a significant step toward achieving inclusive growth and economic empowerment. This contributes not only to poverty alleviation but also to the realization of Sustainable Development Goals (SDGs), including reducing inequality, promoting gender equality, and supporting sustainable economic development. Financial institutions play a vital role in advancing these goals by providing access to credit for historically excluded groups, fostering social, economic, and environmental sustainability.

10. **Based on the analysis of women, new entrepreneur & minorities borrowers**, while women have consistently received the highest sanctioned amount across all years, signalling a focused effort on promoting women's financial inclusion. New Entrepreneurs have seen some instability in funding but experienced a significant recovery and growth in recent years, especially in 2022-23 and Minorities witnessed substantial funding growth in the last two years (2021-23), after an earlier period of volatility. The overall financial support (Total) has experienced a steady increase, suggesting a growth in policy or financial measures aimed at supporting these groups.

11. From sustainability perspective, there is a growth-focused trend in sanctioning amounts for women, new entrepreneurs, and minorities, with the most significant increases observed in the post-2020 period. This may reflect an adaptive response to socio-economic challenges, such as the pandemic, with targeted financial schemes. Women and minorities, in particular, are seeing increasing financial backing, while the funding for new entrepreneurs is more volatile but has recently seen a recovery. The overall upward trajectory in total sanctioned amounts indicates a broader financial empowerment agenda.

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