

Level of Awareness about Pradhan Mantri “MUDRA” Yojana among Small Scale Entrepreneurs: Special reference to Mysore city

Cauvery Ashok and Sunayana N

Department of Management and Commerce, Amrita School of Arts and Sciences, Mysuru, Amrita Vishwa
Vidyapeetham, India

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Abstract:

This paper empirically studied the level of awareness about the Mudra Yojana scheme amongst small scale entrepreneurs. Various schemes were introduced by the government which will help the weaker low-income people. The present study shows the level of awareness of Mudra Yojana among the public is less in comparison to other schemes that are available to the MSME sector. In order to support MSME, various PMMY schemes were launched by the government. This study includes various literature reviews to decide the right component. The aim of the study is to provide various modes of awareness to entrepreneurs. Data was collected through a well-framed questionnaire and direct interviews were conducted in the Mysore city. The sample size is 50 respondents, more women entrepreneurs were approached to collect and analyze the data and draw conclusions.

Keywords: Corporate PMMY, Mudra Loan, MSME, Small Business.

I. INTRODUCTION

Finance is life blood of business and one of the major thing is to fight against poverty and create opportunities, but country like India is facing problem in funding to small business. To come out with this financial insertion government launching various schemes like Pradhan Mantri Jeewan Jyoti Beema Yojana(PMJBY) , Pradhan Mantri Jan Dhan Yojana(PMJDY), Atal Pension Yojana(APY),

PradhanMantriKaushalVikasYOjana(PMKVY),same like above schemes PradhanMantri Mudra Yojana (PMMY) also announced by government of India to enhance funding to small business.

Mudra Yojana: Micro Units Development and Refinance Agency (MUDRA) Bank is a new public sector financial institute for refinancing activities relating to micro units and small business. PMMY is a new initiative announced by Hon'ble Prime Minister Shri Narendra Modi On April 8, 2015. Mudra Bank provides services to the small entrepreneurs and MSMEs outside the service area of regular Banks. Loans worth about Rs 1 lakh crore have been sanctioned to small entrepreneurs under the Pradhan Mantri MUDRA Yojana, as the government needs youth to be job creators and not job seeker. Mudra Yojana plays a major role in strengthening

the confidence of youth Entrepreneurs.

Mudra loans variant:

1. Shishu: is basic scheme which offers loan up to Rs.50, 000.
2. Kishore: second type of Mudra scheme which offers loan amount from Rs.50, 001 to Rs.5 lakh.
3. Tarun mudra scheme offers loan amount from Rs.500, 001 to Rs.10, 00,000.

Mechanism of Mudra Yojana

MUDRA Yojana is an extension in lending infrastructure of country as more specialized and wide covered, particularly focused on Small Business. The idea behind in establishing MUDRA Yojana as a new window for micro enterprises is to reduce under financed or no financed issues of micro enterprises. It is clearly shows that history of other countries that in many cases public policies or government expenditure on a financial schemes or capital generation initiative, yields more result than direct support for small business development, including MSMEs.

Objectives of the Study

- a) To find out the level of awareness amongst small

scale Entrepreneurs about mudra Yojana.

b) To ascertain the mode of creating awareness towards mudra Yojana.

Need for the study

The current paper attempt to evaluate the role played in a short span of time and how the schemes benefited to large margin of the society. The paper also attempt to give suggestions to improve the schemes so as to substantially reduce the credit crunch of the sector.

Regular financial institution Provides Funding to corporate Industries that is selective, whereas the art of MUDRA YOJANA is generative for small Entrepreneurs. Normally MSMEs seen as a under developed industry with limited opportunity dominated by small Entrepreneurs, which are following outdated technology and old method of business tactics on doing things better rather than hunting new-tech oriented things.

Developing and creating awareness among entrepreneurs about MUDRA YOJANA will solve the problems like

- It lowers the burden of Capital generation.
- It Creates employment opportunities.
- It prevents people migration from rural to urban areas.
- It plays major role in industrial development.

Methodology

The present study is based on both primary and secondary source Data. The primary data collected through the Structured and framed questionnaire and some through personal interview from Small scale entrepreneurs, the secondary data is collected from various magazines, newspapers, Wikipedia, MUDRA Website and through social Media.

Limitations of the Study

This Study limits to particular Geographic area Mysore District in Karnataka state, in this study for data collection we approached more women Entrepreneurs and sample size for data collection limits to 50 Numbers the most availed loans will be suitable for starting small scale businesses such as boutiques, handicraft items.

II. REVIEW OF LITERATURE

Several research studies carried out on Mudra Yojana. few of them considered in present study.

Vastav (1987)“Institutional finance for small scale industries” This study concludes that small scale industries faces financial problems and government should take some steps for the existing SME’s to protect them and help them financially.

Ghoshal SN (2008)“Small Medium enterprises need innovative financing model”This paper analyses the various strategies adopted in India for providing finance to Small Scale Industries with other countries like Europe & USA. The effective model suggested in this study is to boost SME’s by creating private public partnership b/w the small & Medium Enterprises.

Dr. Reetu Sharma(2012) “Problem & Prospects of small scale Industries Units(a case study of exporting and non-exporting units in Haryana)” This article concluded that a non exporting unit faces financial problems. On the other hand a non exporting unit faces the executive inefficiency, technological lag, problems relating to export etc. In addition to this, a term of payments is also a major problem which is equally faced by both exporting & non exporting units.

KumariSeema (2015) “Micro units development & Refinance agency” This paper reveals that, MUDRA is Well set established loan scheme to attain development. Another major objective is It working as growth tool for micro enterprises sector. This research paper highlights the offerings like Micro Credit Schemes (MCS), refinancing to Cooperative banks and impact of MUDRA to Indian economy.

Anwara GIRI (2016) “PMMY: Behind the numbers” This paper analysis the various strategies adopted in India and suggests this initiative really makes impact on GDP Growth from small entrepreneurs.

Mommemdshaid and Mommedirshad (2016) “A Descriptive study on Pradhanmantri mudra Yojana. According to Them most of the Indian small entrepreneurs depend on unorganized sector Loan for business operation so mudra Yojana will help for their business Objectives to know the objective of mudra Bank and to understand product offering of mudra bank methodology secondary source. The main suggestion was it helps in make in India initiative.

Aparna A. Rudrawar (2016) “An evaluator study of MUDRA scheme” has suggested that MUDRA can be

fruitful for the economy, if implemented properly and helps in development of employment opportunity.

Sonia(2017) “MUDRA Yojana – A strategic Tool for small Business financing” she stated in her study that most of the MAJOR traffic jam to growth of entrepreneurs lack of financial support for this sector and in this study they used secondary data they suggested that Govt. should boost the initiative to needy business entrepreneurs and it is showing dynamic growth also towards development.

Dr. Deepak gupta (2017) “Micro units development and refinance agency (mudra): a government initiative for uplifting sme’s in India” - In India, Micro Enterprise constitutes a major economic segment in our country and provide large Employment after agriculture, therefore play a crucial role in the growth of the economy. But major part of this sector faces financial crises for their growth due to proper channel of funding agencies this paper conclude that mudra initiative of financial inclusion to uplift the small business enterprises. And the positive Progress of MUDRA Bank in Haryana state can be observed.

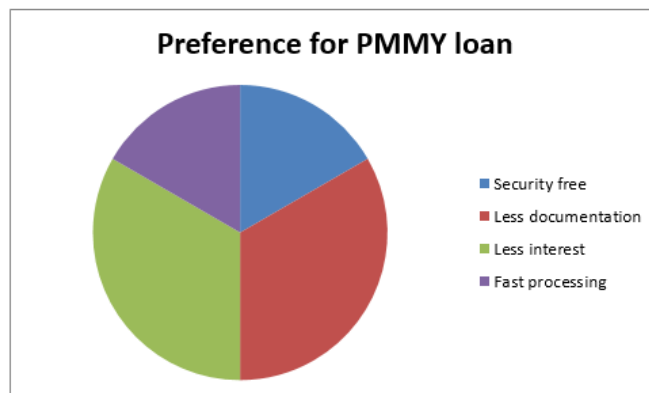
P. A. Ibrahim(2018) “An empirical study on the role of mudra Yojana in financing micro enterprises” According to him mudra Yojana is uplifting tool for employment generation and his study objective was to discuss context of origin and functioning of mudra Yojana in India and evaluate the role of the mudra Yojana scheme in financing micro enterprises.

Analysis and Interpretations

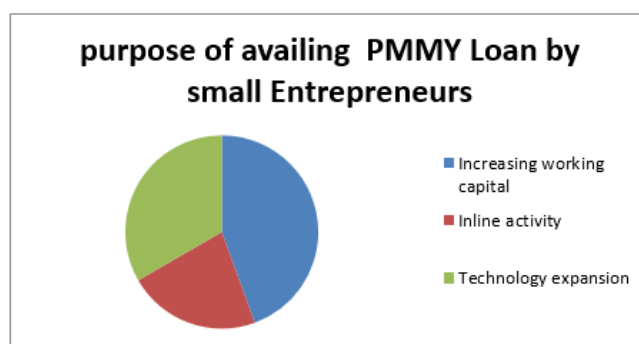
The PMMY is one of the ambitious schemes launched by Govt. in order to support MSME sector to avail small loans to support their up gradation or working capital needs. An attempt was made through survey to find out level of awareness about the scheme amongst entrepreneurs. Around 11% have availed the benefit of the scheme and about 30 % are aware of the scheme. The present research shows that the level of awareness of mudra yojana among the public is less in comparison to other scheme that are available to MSME sector. Women entrepreneurs prefer these schemes as the amount of loan catering services, beauty parlours, bakeries, readymade garments shop etc.

The figure 1.1 shows the data of respondent in preference for PMMY loan whereas Small entrepreneurs likely prefer mudra Yojana because compare to other banking

Loan this is little flexible in processing and security free as these loans are collateral free, where 36.67% respondent informed entrepreneurs prefer PMMY over other schemes, and for about 63.33% people prefer loans under PMMY as its documentation is hassle free and interest is less.



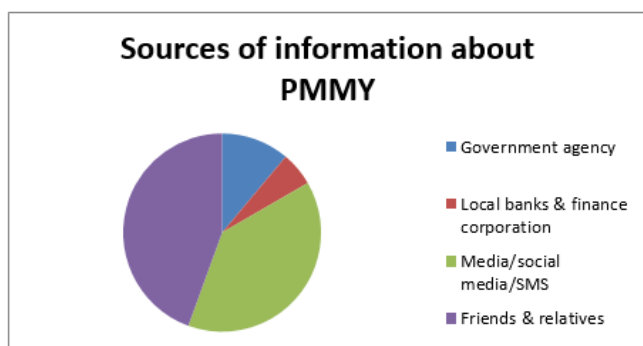
The main intention of PMMY is to encourage the startups and the small entrepreneurs by providing financial support to increase their stability in their business. As the present study says that, around 44.44% of respondent are availing Loan to increase working capital and 33.34% of respondent are borrowing this loan for up gradation of technology. And rest of the respondent borrow loan for inline activity and The Figure 1.2 shows the data about purpose of availing PMMY loan by the small entrepreneurs.



PMMY have the motto to create skilled entrepreneurs to the nation which helps to develop employment opportunity and also increase the national income. As the study shows that 88.89% people agree to the statement that helps to generate employment opportunity and also increases the standard of living of individuals as well as nations income and about 11.11% of respondent opinion is adversely to the statement and they think that this

Yojana does not create employment opportunity and increases standard of living. PMMY is a very good initiative taken by the government of India to promote the business. But in real sense general public are not aware of these schemes launched by the government as there is no effort made by the government in promoting this Mudra loan when compare to the other loans and people prefer other loans but not Mudra, though Mudra is giving loan with less interest people are not aware of this loan. Banks and government should put an effort to reach the mind of people.

Figure 1.3 shows the data of source of information about PMMY. The source of information is generally through friends and social media, which may not be authentic and appropriate and the majority of respondent opine that they are aware of this loan by friends and relatives and the amount of resistance as the information is not complete and there is no proper transmission of information from Govt agency or financial institutes.



Where PMMY schemes are very useful to the public or the business people to improve their business and provide a good image in the society. Here the research shows that nearly 94.44% satisfactory With MUDRA Yojana and about 5.56% are not satisfied it's mainly because of due to of lack of awareness about the schemes. To overcome this, banks and govt. should take initiative in order to provide the awareness programs to the public so that it would help the people to promote or expand their business which directly helps people to live sustainable life.

III. FINDINGS

Few Major Findings Discovered from present study. The Level of awareness on PMMY among small Entrepreneurs is not enough, many Small Entrepreneurs are availed loan but Not under PMMY. As well More

Numbers Of women Entrepreneurs are availed Loan under Mudra Scheme compared to men small Entrepreneurs. This sounds in a very good manner and stabilizing the women Empowerment

One major backlog there is no proper information Shared from Bank to their customer Because Bank intervention is less in Mudra Scheme and Promotion level from bank is very poor because for banking sector QUID PRO QUE is not much. Hence it is a Central Government initiative Middle man intervention is more, between Banker and Customer because middle man are gaining almost 30-40% of the sanctioned amount of loan to entrepreneurs due this there is a lack of awareness about the mudra loan among the entrepreneurs. The main source of information for Small Entrepreneurs are Friends and relatives where as other mode of awareness is almost null.

IV. SUGGESTIONS

Small Entrepreneurs should act according their timely requirement and avail proper Loan from bank.

- Small Women Entrepreneurs Should go forward and makes use of MUDRA loan Scheme. Which helps in Women Empowerment?
- Govt. Agency Should promote proper mode/channel for creating awareness among Small Entrepreneurs
- Banking Agency has to create Right Customer educating mode about Mudra Yojana.

V. CONCLUSION

The study concluded that Pradhan Mantri Mudra Yojana is a great Initiative taken by Central Govt. of India. It is clear that unfunded small entrepreneurs will benefit with this. The scheme will help weaker low income group people and young people can be job creator rather than Job seeker.

It can be said that if PMMY implemented properly with creating modern modes of awareness it may work as a game changing financial inclusion initiative of Government of India and may boost the Indian economy.

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