

MUDRA Yojana: Its Awareness Level And Problems Faced By Mudra Beneficiaries In Haryana State

Anita Bindal¹, Dr. Rupesh Roshan Singh²

¹Research Scholar, ²Associate Professor

^{1,2}Mittal School of Business Lovely Professional University (Phagwara) Jalandhar (Punjab)

Abstract

Small and micro businesses in India play a big part in the country's economy. In order to achieve the national objective of financial inclusion and the creation of major ties in employment between urban and rural areas across the nation, this sector is absolutely essential. The Indian government launched the Mudra Yojana to promote financial inclusion. Young, educated, and skilled workers will feel more confident as a result, and they will be motivated to start their own unorganized businesses or to extend the operations of currently operating ones. This paper discussed the significance of spreading knowledge on financial inclusions via Mudra Yojana. The major goals of the Mudra Yojana are to encourage small businesses and entrepreneurs to grow their operations and to raise awareness of the challenges that entrepreneurs experience when trying to obtain bank loans, minimize excessive incompetence, and establish a structured system of credit.

Keywords: Mudra yojana, Financial Inclusions, entrepreneurs, small and micro business, NCSB- Non corporate small business.

Introduction

One of the essential aspects in India for operating a business successfully and promptly and achieving the goals and objectives of the business is finance. Small and micro business concerns are still unable to obtain the necessary financial backing due to the difficulty involved in acquiring funds from the many sources accessible in the market. The Government of India started the Mudra yojana on April 8, 2015, in an effort to alleviate the financial challenges encountered by small, insignificant business units and unorganized sectors.

Micro Units Development & Refinance Agency Ltd. is known as Mudra. It was established by the Indian government to support micro unit development and refinancing efforts. The union budget for the fiscal year 2015–16 was presented

by the Honorable finance minister, who made the announcement. The primary objective of Mudra is to offer loans to the non-corporate/unorganized small business sector. The majority of those working in small businesses and the unorganized sector are ignorant, therefore they don't keep proper accounting records or comply with other legal requirements. The execution of MUDRA results in the creation of jobs, an increase in the standard of living, the empowerment of women, and an increase in the entrepreneurial spirit, all of which boost social welfare.

MUDRA schemes Under the funding of Pradhan Mantri Mudra Yojana, has already created the initial schemes. Those interventions have been named as Shishu, Kishore and Tarun to indicate the phase of growth and funding needs of the beneficiaries.

The list of schemes in Mudra Yojana

Categories:

Shishu The loans up to Rs 50000

Kishore The loans above Rs 50000 and up to Rs 500000

Tarun The loans above Rs 500000 and up to Rs 1000000

Reviews of literature

Gupta (2015) explored the Mudra Yojana's idea, purpose, justification, and obligations. The study also paid attention to Mudra Bank's services and operations. The study found that Mudra will serve as a catalyst for the expansion of mass entrepreneurship, the creation of jobs, and higher GDP growth.

Kumar (2017) examined how the Mudra Yojana affected financial inclusion. The report included information on Mudra Bank's goals and offerings. The study came to the conclusion that small enterprises must be encouraged and supported because they are the backbone of economic development.

Mahajan, Ashish (2018) The descriptive analysis aims to educate the reader on Mudra Yojana and its primary goals. Understanding the Mudra programmes put out by the government to address the issues facing small businesses that are non-corporation business industry. Secondary sources provided the study's data and information. sources including the Mudra, journals, newspapers, and different websites for government programmes and other organizations. statistically descriptive Processes have been used to process data. An attempt to explain the plan being presented by Mudra under PMMY and its impact on Indian self-employed individual people with jobs. The existence of official financing institutions like Mudra the non-corporate small company sector will boost small

business production hence, corporations give more to India's GDP

Mohapatra (2016) has done a study on role of Mudra bank in financing Non-Corporate Small Business Sectors. According to this report, Mudra is an apex institution that oversees financial intermediaries, particularly MFIs and NBFCs, in order to support those at the base of the economic pyramid by providing them with sufficient credit at reasonable rates. The article has acknowledged the unique initiative taken by Mudra Bank to stimulate entrepreneurship by offering quick and easy loans to aspiring business owners and fostering last-mile financiers who finance small enterprises for non-farm income activities. The author draws the conclusion that the introduction of the Mudra plan is a positive step toward meeting the needs of the nation's marginalized populations.

Verma S (2015) has emphasized that the design of Mudra Bank will not only address the financial issues faced by MSMEs, but will also provide encouragement to a substantial portion of the youthful population to realize their aspirations of starting their own business.

Deepak Gupta and Jyoti Sharma (2017) It seeks to thoroughly discuss Mudra and examine Mudra Bank as a financial inclusion programme to support small business firms. Positive Mudra Bank Development in the State of Haryana. On financial inclusion, the Mudra Yojana's impact may be seen. The entire output of Mudra for 2016–2017 demonstrates that every sector of society has profited from its plans, which speaks to the Mudra Yojana's current progress in the state of Haryana. As Mudra is applicable across all of India, it runs smoothly, and it has demonstrated success in the state of Haryana with an increase in the sanctioned loan amount from 3259.27 crores to 3843.53 crores under its three phases. The results show that Mudra has contributed to the expansion of small and medium-sized businesses.

Objectives

The objectives of the study are

- 1 To analyze the awareness & knowledge level of Micro Units Development and Refinance Agency (MUDRA).
- 2 To study the problems and challenges faced by Beneficiaries while applying for Mudra loan.
- 3 To evaluate the performance of Mudra scheme in achieving its objectives
- 4 To analyze the level of satisfaction on Mudra scheme

Research methodology

This study is based on the results of focus groups and individual interviews with respondents who participated in a structured survey in six districts around the state of Haryana—Ambala, Panipat, Hisar, Rohtak, Gurugram, and Faridabad—using

Table 1 Analyze the awareness & knowledge level of Micro Units Development and Refinance Agency (MUDRA)

Indicator	N	Mean value
1.I am aware of MUDRA scheme	100	3.35
2.I am aware that beneficiaries avail loan based on a business proposal	100	3.39
3.I am aware about different categories of loans such as Shishu, Kishor and Tarun.	100	4.02
4.I am aware of the procedures to avail MUDRA loan.	100	3.76
5.I am aware that the Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by government of India	100	4.23
6.I am aware of the basic criteria for availing MUDRA loan.	100	3.96
7.I am aware about the additional assistance provided by the banks. (Vendor management, EDP training under PMEGP and MUDRA card, etc...	100	4.02

Table 1 Shows that indicator 1,2, 4 and 6 mean value is above 3 i.e 3.35,3.39,3.76,3.96 it means awareness level is normal. Indicator 3,5 and 7 represents that mean value is 4.02,4.23 and 4.02 high awareness and knowledge level of Mudra

a random sample of respondents. The questionnaire was framed by the researcher for the following scales namely awareness level, problem and challenges faced by beneficiaries, performance of Mudra scheme and the level of satisfaction. The five points Likert scale was used to frame the questionnaire in which the 1 to 5 stands to measure the opinion of the respondents. Where, 1 – stands for strongly disagree, 2 – stands for disagree, 3 – stands for neutral, 4- stands for agree and 5- stands for strongly agree.

Data collection and its interpretation

In the current study, information was gathered using structured questions from 100 respondents in the unorganized/non-corporate business sector participating in Mudra schemes. In order to understand the difficulties faced by beneficiaries of Mudra schemes, we gathered data on awareness of Mudra yojana.

yojana like shishu,Kishore and tarun, high awareness regarding Pardhan Mantri Mudra yojana has been lunched by government of India and also high awareness about additional assistance provided by the banks like Vender

management, entrepreneurship development program training under PMEGP and Mudra card etc.

Table 2 Represents the problems and challenges faced by Beneficiaries while applying for MUDRA loan.

Indicator	N	Mean value
1.Delay in loan process	100	4.05
2.Had to go through more documentation	100	3.99
3.Less amount was disbursed	100	4.22
4.Bank officials were not supportive	100	4.19
5.Lack of Eligibility	100	4.13
6.Insufficient information	100	4.27
7.Details of the schemes were not briefed	100	4.25
8.MUDRA Scheme guidelines were not explained	100	4.05
9.Repayment options were not explained	100	4.15
10.Repayment options are difficult to follow	100	4.27
11.Loan was not processed on time	100	4.40
12.Rate of interest was too high	100	4.07

Table 2 Shows problem and challenges faced by beneficiaries while applying for Mudra yojana. It depicts that all 12 indicators have mean value around 4 and above 4. Indicator 11 mean value is 4.40 explain there is less time taken in loan process and clearness. Insufficient information has the highest mean value i. e 4.27 it means information about different scheme and its repayment option are properly explained by bankers. Indicator 7,3 mean value is 4.25, 4.22 tells detailed of schemes were briefed and full amount was disbursed. Indicator 4 mean value is 4.19 explain bankers were supportive in all ways. Indicator 5 mean value is 4.13 explain most of

loanees are declared ineligible for granting loan. Indicator 12 mean value is 4.07 tells rate of interest has been increased according to schemes wise. Indicator 2 mean value is 3.99 around 4 express that less document process in granting loan process.

Pareto Analysis is a technique used for decision making based on the Pareto Principle. Pareto Principle is based on 80/20 rule which says "80% of impacts are due to 20% of causes". It emphasizes that a major number of issues are created by a relatively smaller number of underlying causes.

Table 3 Problems and challenges faced by Beneficiaries while applying for Mudra loan.

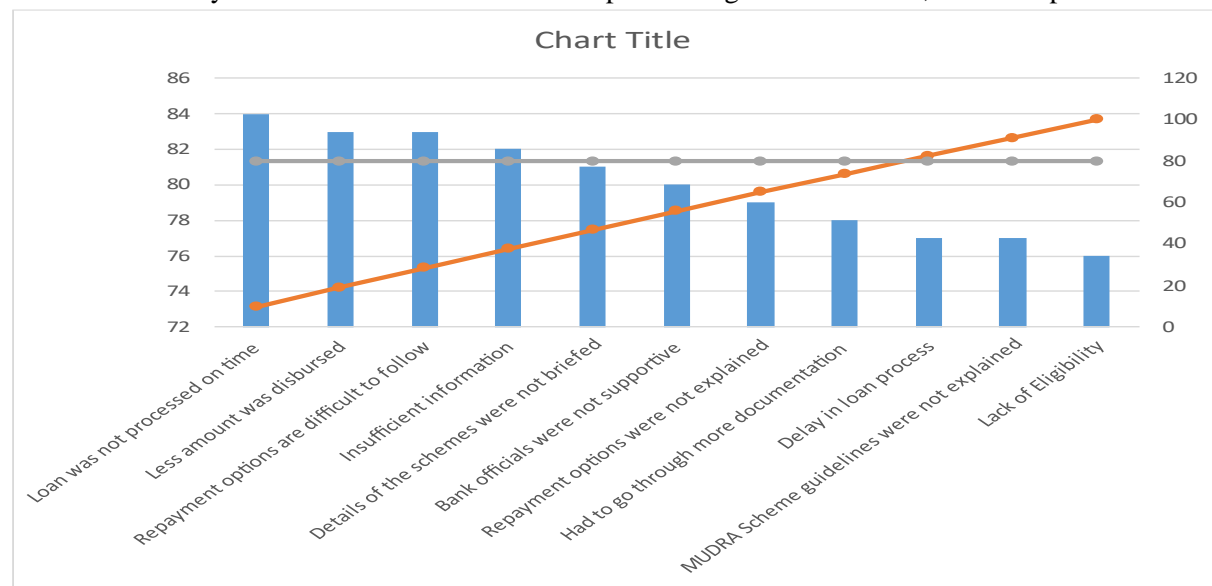
Problems	Frequency	Cumulative Frequency	Cumulative Percentage	80% Rule
Loan was not processed on time	84	84	9.545454545	80
Less amount was disbursed	83	167	18.97727273	80
Repayment options are difficult to follow	83	250	28.40909091	80

Insufficient information	82	332	37.72727273	80
Details of the schemes were not briefed	81	413	46.93181818	80
Bank officials were not supportive	80	493	56.02272727	80
Repayment options were not explained	79	572	65	80
Had to go through more documentation	78	650	73.86363636	80
Delay in loan process	77	727	82.61363636	80
MUDRA Scheme guidelines were not explained	77	804	91.36363636	80
Lack of Eligibility	76	880	100	80

This information relates to a problem and the difficulties recipients present. Currently, the difficulties are divided into a number of groups with the frequency of the problems as a criterion. For instance, the frequency will be one if an issue occurs in a given category only once. The

frequency count increases by one unit each time a problem is reported under a category. Therefore, when someone states an issue has arisen 40 times under a certain category, they are referring to the frequency of that problem.

A statistical analysis of the data was made and a pareto diagram was drawn, which is presented in fig1.



This graph illustrates the problems and difficulties beneficiaries encounter when applying for a Mudra loan, with Y-axis frequency on the left. On the right, you can see the cumulative percent X-axis and curve. About 80% of all discoveries can be found in the first four. (Remember that the 80/20 ratio is a rough guide.) Here, the bankers will probably pay close attention to the first four findings like loan

process time, amount disbursed, repayment option and full information about Mudra yojana.

According to table 1 the performance of the objective of Mudra scheme

Sum of awareness indicator= $335+339+402+376+423+396+402=2673$

Percentage of Average of
 $\text{sum} = 2673/7 = 381.85^* = 3.81\%$

Percentage of Awareness level
 $= 3.81/5 * 100 = 76.2$

it represents that awareness level of Mudra scheme is 76.2%.

Due to awareness level of Mudra scheme is more than 75% Performance of Mudra scheme in achieving its objectives are above than normal. It means performance increased by disseminate information throughs training program.

The majority of respondents to the study expressed satisfaction with the length of loan period provided to borrowers. The Mudra loan scheme's loan repayment time is long enough for the clients. The majority of the Mudra loan applicants, who fell under the Shishu category, were pleased with the loan amounts approved by the banks. As respondents agreed that Mudra charged a lower rate of interest for loans, Mudra scheme beneficiaries are satisfied with the rate of interest charged on Mudra loans.

Limitations of the study

The lack of a database restricts the collection of information about Mudra beneficiaries.

Conclusions

The foundation of the economy is small enterprise. They require support and encouragement. Since the last few years, the government has done a significant number of things. The most recent initiative to help small and micro businesses in India is called Mudra Yojana. The goal of this project is to focus only on business owners. This project will improve the lives of a lot of individuals who work in small enterprises, which will benefit the expansion of the overall economy. The Mudra Bank programme is to establish a solid base by utilizing banking services to nurture independent entrepreneurial ability, hence speeding the

creation of significant career opportunities and GDP growth. Finance is the primary aspect that determines whether a company will be large or small. Thus, it can be argued that the Mudra scheme's ecosystem has increased the number of formal businesses in Haryana and provided all entrepreneurs the chance to realize their dreams using the government's current programmes. By becoming an MSME, more Mudra recipients can also develop and extend their commercial activities.

References

1. Ashish Mahajan (2018) An analysis of performance and impact of Mudra Yojana under PMMY in the year 2016 Research Journal of Management Sciences Vol. 7(3), 1-5 ISSN 2319– 1171
2. Dr Saloni Gupta (2015) Mudra: Financial Inclusion of the Missing Middle: Indian journal of applied research, Volume: 5, Issue: 11, November 2015, ISSN - 2249-555X
3. Anup Kumar Roy (2016) Mudra Yojana - A Strategic Tool for Small Business Financing ISSN: 2321-7782 (Online) Volume 4, Issue 1, January 2016 International Journal of Advance Research in Computer Science and Management Studies
4. Mohapatra, A. K. (2016). Role of Mudra Bank in Financing Non-Corporate Small Business Sectors. Review of Management, 6.
5. Dr. Deepak Gupta and Mrs. Jyoti Sharma (2017) micro units' development and refinance agency (Mudra): a government initiative for uplifting SME's in India International Journal of 360 Management

Review, Vol. 05, Issue 02, October 2017,
ISSN:2320-7132

WEBSITE ACCESS:

➤ <http://www.Mudra.org.in/http://www.rbi.org.in>

➤ <https://www.rbi.org.in>