

Assessing The Impact Of Mudra Yojna Scheme On Entrepreneurship Development In Mayiladuthurai District

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Abstract: The entrepreneurial culture is considered symbol of prosperity and progress of a nation. To become an entrepreneur, people take a risk to invest starts and manage their business on their own and work towards making it successful. In other words, an entrepreneur is a person, engaged in an economic activity & handles it. The entrepreneurs are key acts as key agents in transforming a cacuminal economy into a progressive one. In India, most of the entrepreneur runs micro units engaged in manufacturing, processing, trading and services sector. The micro enterprises represent a major portion of Indian economy and stipulate sizable employment after agriculture. It includes small scale manufactures, shopkeepers, street vendors, small travel operators, repair shops, machine operators, small industries, artisans, food processors etc.

These are mostly "own account enterprises" (OAE) and also called as "Non-Corporate Small Business Sector" (NCSBS). It is the biggest unorganized entrepreneurial ecosystems of any country that exists globally which provides livelihood to about 50 crore lives. The impediments in the growth of these NCSBS entrepreneurs is lack of financial assistance as only a less than 15% of bank credit available to them. As majority of these entrepreneur works as unregistered enterprises without maintaining proper books of accounts and do not get covered under tax umbrella therefore, for banks also it is challenging to lend to them.

Keywords: Pradhan Mantri Mudra Yojna, Non-Corporate Small Business Sector.

I. INTRODUCTION

Pradhan Mantri Mudra Yojna (PMMY) is a flagship scheme of Government of India to "fund the unfunded" by bringing such enterprises to the formal financial system and extending affordable credit to them. It enables a small borrower to borrow from all Public Sector Banks such as PSU Banks, Regional Rural Banks and Cooperative Banks, Private Sector Banks, Foreign Banks, Micro Finance Institutions (MFI) and Non Banking Finance Companies (NBFC) for loans up to Rs 10 lakhs for non-farm income generating activities. The scheme was launched on 8th April, 2015 by the Hon'ble Prime Minister.

ORIGIN OF MUDRA SCHEME

The Union Budget presented by the Hon'ble Finance Minister Shri Arun Jaitley, for FY 2015-16, announced the formation of MUDRA Bank. Accordingly MUDRA was registered as a Company in March 2015 under the Companies Act 2013 and as a Non Banking Finance Institution with the RBI on 07 April 2015. MUDRA was launched by the Hon'ble Prime Minister Shri Narendra Modi on 08 April 2015 at a function held at Vigyan Bhawan, New Delhi.

STATEMENT OF THE PROBLEM

Entrepreneurship plays a crucial role in fostering economic growth, generating employment, and promoting innovation. Recognizing its importance, the Government of

India launched the Pradhan Mantri Mudra Yojana (PMMY) in 2015 with the aim of providing financial support to non-corporate, non-farm small/micro enterprises. The scheme offers collateral-free loans to entrepreneurs under three categories—Shishu, Kishor, and Tarun—based on the stage of business development. Despite the wide coverage and ambitious goals of the PMMY, questions remain about its actual impact on entrepreneurship development in the country.

NEED OF THE STUDY

- ✓ To evaluate the actual impact of the Pradhan Mantri Mudra Yojana (PMMY) on entrepreneurship development in India.
- ✓ To assess whether the scheme has successfully facilitated the creation and growth of small and micro enterprises.
- ✓ To analyze if PMMY has helped in generating self-employment and reducing unemployment, especially among youth, women, and marginalized communities.
- ✓ To identify challenges faced by beneficiaries in accessing, utilizing, and repaying Mudra loans.
- ✓ To suggest improvements and policy recommendations for enhancing the impact of PMMY on entrepreneurship development.

OBJECTIVES OF THE STUDY

- ✓ To assess the impact of the Pradhan Mantri Mudra Yojana (PMMY) on the growth and development of entrepreneurship in India.
- ✓ To evaluate the role of PMMY in generating employment and promoting self-employment among beneficiaries.
- ✓ To identify the key challenges faced by entrepreneurs in availing and using Mudra loans effectively.
- ✓ To explore the awareness and satisfaction level of beneficiaries regarding the PMMY scheme.
- ✓ To provide suggestions for improving the implementation and effectiveness of the scheme in promoting sustainable entrepreneurship.

SCOPE OF THE STUDY

- ✓ The study focuses on evaluating the effectiveness of the PMMY scheme in promoting entrepreneurship among small and micro-enterprises in India.
- ✓ It includes an assessment of beneficiaries across different categories of Mudra loans – Shishu, Kishor, and Tarun – based on the stage of business development.
- ✓ The study covers various sectors where Mudra loans have been utilized, such as trading, manufacturing, services, and agriculture-related activities.
- ✓ It aims to explore the socio-economic impact of the scheme, especially on women entrepreneurs, youth, and economically weaker sections.
- ✓ Geographically, the study may focus on selected urban and rural areas to understand regional differences in implementation and outcomes.

II. METHODOLOGY

This study is mainly based upon primary data and secondary data. The primary data collected through personal interview with the help of well structured schedule. 50 samples were selected in mayiladuthurai district by selected nationalised banks muthra loan customers adopting convenience sampling method. The secondary data have also been collected from various books, journals and bank websites as per the requirements of the study.

S.NO	Age	No. of respondents	Percentage
1.	Below 20	8	16
2.	20-40	35	70
3.	40-50	7	14
4.	50 above	0	0
	Total	50	100

Source: Primary Data

Table No.01: Classification of the respondents on the basis of Gender

From the above table it is clear that majority of the respondents that is 60% are male where as only 40% respondents are female. Thus it can be concluded that there is a preponderance of male respondents over the females.

S.NO	Age	No. of respondents	Percentage
1.	Below 20	8	16
2.	20-40	35	70
3.	40-50	7	14
4.	50 above	0	0
	Total	50	100

Source: Primary Data

Table No. 02: Classification of the Respondents on the basis of their age

The above table it is clear that 16% of the respondents are of age group of below 20,20-40 are 70%, 40-50-14% and above 50 is 0% thus it can be concluded that there is a majority of the respondents in the group of 20-40 of people i.e. 70%.

S.No	Educational Qualifications	No.of Respondents	Percentage
1	Matriculation	2	4
2	Higher Secondary	21	42
3	Graduation	18	36
4	Post Graduation	6	12
5	Any other	3	6
	Total	50	100

Source: Primary Data

Table No.03: Education Qualification

From the above table it is clear that majority of the respondents that is 42% are Higher secondary which is closely followed by respondents who have Graduation. Thus it can be conclude that there is a majority of the respondents are higher

secondary where as minority of the respondents are matriculate.

S.No.	Particulars	No. of Respondents	Percentage
1	Strongly agree	17	34
2	Agree	19	38
3	Neutral	8	16
4	Disagree	4	8
5	Strongly disagree	2	4
	total	50	100

Table No. 04: Classification of the Respondents on the basis of their Occupation

From The above table it is clear that majority of the respondents that is 42% are Businessman 22 % of respondents are private employee, 16 % of farmer, 20 % of others category. Thus it can be concluding that there is a majority of the respondents are Student where as minority of the respondents are business.

S.NO	Occupation	No. of Respondents	Percentage
1	Business	21	42
2	Private employee	11	22
3	Farmer	08	16
4	Others	10	20
	TOTAL	50	100

Source: Primary Data

Table No.05: Classification of the Respondents on the basis of their awareness about PMMY

From the above table and figure it is clear that majority of the respondent i.e. 80% respondents say yes and 20% respondents say no towards awareness about Pradhan Mantri MUDRA Yojana.

S.N	Particulars	No.of Respondents	Percentage
1	YES	40	80
2	NO	10	20
	TOTAL	50%	100

Source: primary data

Table No. 06: Development of Economic Growth

In above table out of 50 respondent 38% agree, 34% strongly agree, 16% respondents are neutral or 8% and 4% are disagree or strongly disagree toward PMMY is helpful in improving the country economic growth So majority of respondent think or agree PMMY is helpful in growth of economy of country.

III. FINDINGS

- ✓ Majority of the respondents are Female (60%)
- ✓ Majority of the Age group of the respondents are up to 20-40(70%)

- ✓ Majority of the respondents are having higher secondary as their education Qualification(42%)
- ✓ Majority of the Respondents Occupation were Business(52%)
- ✓ Majority of the respondents were not well aware of the PMMY (70%)
- ✓ Majority of the 38 Respondents are agree of economic development of country.

IV. SUGGESTIONS/RECOMMENDATIONS

- ✓ Increasing loans sanctioned and disbursed by financial institutions.
- ✓ Connecting request of potential borrowers to the right handholding entities.
- ✓ Handholding events organized subsequent to sanction of loan.
- ✓ Converging Pradhan Mantri Mudra Yojana with existing schemes of govt. of India or state govt.
- ✓ Adopting innovation methods for implementation of scheme.
- ✓ Ensuring transparency and accountability in implementation of the scheme.

V. CONCLUSION

MUDRA has been formed with primary objective of developing the micro enterprise sector in the country by extending various supports including financial support in the form of refinance, so as to achieve the goal of funding the unfunded. Subsequently GOI has also decided that MUDRA will provide refinance support, monitor the PMMY data by managing the web portal, facilitate offering guarantees for loans granted under PMMY and take up other activities assigned to it from time to time. Accordingly MUDRA has been carrying out these functions over the last one year.

REFERENCES

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- [2] Roy, Anup Kumar (2016), has displayed that the small businesses are the foundation of economic development. A major number of initiatives have been taken in the past few years in the right direction.
- [3] Verma S. (2015), has explained that the design of MUDRA scheme will not only cater to the financial problems of MSMEs but also give moral support to a lot of young population to become an entrepreneur.
- [4] Rani and Rao(2019) pointed out that concerted and well-orchestrated efforts are needed to achieve a high degree of success. An effective monitoring mechanism, creation of credit-rating facilities, adoption of standards for quality and environmental management, promotion of SME

brands and development of appropriate capital markets can improve the situation.

- [5] Raja (2005), concluded in his working paper that the lending to the SME sector grew by 69 per cent between 200-01 and 2005-06. But there exists a stark disparity amongst small players and big players within the SME

sector. It was found that loans to bigger companies are growing at a faster pace than loans to the SSI sector.

WEBSITES

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