



ISSN: 0976-3031

Available Online at <http://www.recentscientific.com>

CODEN: IJRSFP (USA)

International Journal of Recent Scientific Research
Vol. 13, Issue, 04 (C), pp. 923-925, April, 2022

**International Journal of
Recent Scientific
Research**

DOI: 10.24327/IJRSR

Research Article

BENEFITS AND CONSTRAINTS FACED BY WOMEN IN PRADHAN MANTRI MUDRA YOJANA IN LUCKNOW DISTRICT

Garima Singh¹ and Neelma Kunwar²

¹Recipient of Centrally Administered Doctoral Fellowship F. No. File No: RFD/2019-20/GEN/SW/137(ICSSR, New Delhi), C.S. Azad University of Agriculture and Technology
²C.S. Azad University of Agriculture and Technology, Kanpur

DOI: <http://dx.doi.org/10.24327/ijrsr.2022.1304.0200>

ARTICLE INFO

Article History:

Received 06th January, 2022
Received in revised form 14th February, 2022
Accepted 23rd March, 2022
Published online 28th April, 2022

Keywords:

Benefits, Constraints, PMMY, Scheme, Mudra

ABSTRACT

The Pradhan Mantri Mudra Yojana (PMMY) is a scheme launched by the Government of India on April 8, 2015 for providing loans up to Rs. 10 lakh to the non-corporate, non-farm small/micro enterprises. Under PMMY, all banks viz. Public Sector banks, Private Sector Banks, Regional Rural Banks (RRBs), State Co-operative Banks, Urban Co-operative Banks, Foreign Banks and Non-Banking Finance Companies (NBFCs)/Micro Finance Institutions (MFIs) – are required to lend to non-farm sector income generating activities below Rs.10 lakh. These loans are classified as Mudra loans under PMMY. For implementing the Scheme, government has set up a new institution named, Mudra (Micro Units Development & Refinance Agency Ltd.), for development and refinancing activities relating to micro units, in addition to acting as a regulator for the micro finance sector, in general. Mudra provides integrated financial support to the micro enterprises sector which includes small manufacturing units, food service units and small industries to name a few. The basic motive of establishing MUDRA is to extend the facility of institutional finance to small business entities involved in trading, manufacturing and service sectors.

Copyright © Garima Singh and Neelma Kunwar, 2022, this is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

Over the past few decades, women had been working very hardly, their talent, dedication and enthusiasm forming the bedrock of economic growth and prosperity in India. They have ventured into the market, started their own business, and worked tirelessly to prove that they are as adept and successful in the entrepreneurial space as their male counterparts. Indian women have come a long way from the time they were financially dependent on men. Today, women are independent. They take charge of their finances and make their own financial decisions. In addition, several government initiatives are especially focused on improving the financial independence of women. And, even though many working and self-employed women are aware of such benefits and other financial opportunities.

The government is doing everything to encourage the women participation and is consistently making an attempt to provide various financial benefits for women in the country. The aim of government of India's Mudra scheme is to support micro and small enterprises to empower women. Women entrepreneurs account for about 78 percent of the total number of borrowers

under Mudra. Mudra loans come with the sole aim of fostering a culture of entrepreneurship within India which was issued under Pradhan Mantri Mudra Yojana. Launched by the Government of India to empower women financially, Mudra Yojana provides finance to women to start a new venture. This scheme helps to promote aspiring entrepreneurs to start their own business. Banks and other financial institutions can offer Mudra loans to women who have the vision to initiate their own business in India.

Women across different sectors can benefit from the different category loan offered by banks under this scheme. Pradhan Mantri Mudra Yojana has the purpose of improving the livelihood of the women and providing security for leading a better life. This scheme aims to improve the status of women in the country by providing business loans and supporting them so that they can be financially independent and self-reliant.

Objectives

1. To study the socio-economic status of the beneficiaries of this scheme.

*Corresponding author: **Garima Singh**

Recipient of Centrally Administered Doctoral Fellowship F. No. File No: RFD/2019-20/GEN/SW/137(ICSSR, New Delhi), C.S. Azad University of Agriculture and Technology

2. To collect data from selected bank to indicate the number of women benefited under this scheme and for which business.
3. To identify the problems and constraints faced by women and banks during implementation of this scheme.

METHODOLOGY

The study was conducted in Lucknow district of Uttar Pradesh. Out of 132 localities of the district, 10 localities were randomly selected for the study purpose. Total 13 banks were purposively selected (Public and Private sector) from the different localities which are providing loan under Pradhan Mantri Mudra Yojana. 200 women beneficiaries were selected for study purpose. Dependent and independent variables such as age, education, Mudra loan, problems, constraints etc. were selected. The statistical tools such as rank, Cr, SD, SE, were used.

RESULTS

Table 1 Distribution of women beneficiaries according to age group

Age group (years)	Frequency	Per cent
18 – 25	10	5.0
25 – 35	80	40.0
35 – 45	100	50.0
45 – 55	10	5.0
55 – 65	-	-
Total	200	100.0

Women in the age group of 25 to 45 years have taken maximum benefit of PradhanMantri Mudra Yojna because the banks gives loans to this age group on priority basis as they can repay their loan within the prescribed period. Younger women are highly active, innovative and technically skilled. They have different thinking as compared to adults and do their business properly with new technology and skills. It was found that women at age of 55–65 years do not have a Mudra loan account because at this age the person becomes mostly dependent on others.

participate in this scheme. PradhanMantri Mudra Yojana also covers the rural section or marginalized section of society. Therefore, the role of banks, especially public sector banks, is very important in this scheme. For the financial development of the country the role of public banks is generally significant in all the schemes implemented by the government from time to time. The specialty of the PradhanMantri Mudra Yojana is that under this scheme, not only the people of the lower class of the country are encouraged to establish micro-enterprises for their livelihood and for the production of various products.

Most of the women have taken loans for community services like beauty parlour, tailoring shop, stationary shop and clothing store rather than men because mostly women are employed in these jobs as they are more skilled in these tasks. Beauty parlour, salons and boutique shops are very attractive business opportunity for women entrepreneurs chiefly women took loan under Shishu category for running their business which is for community services.

The PradhanMantri Mudra Yojana is made for both men and women entrepreneur, but this scheme is special for women because the loans are provided to women applicants on the priority basis. The government has given special attention to women entrepreneur in this scheme Men earn their livelihood by working somewhere but women are dependent on men, so Mudra Yojana is very useful in enabling them that is why the Indian Government has taken up the campaign to run this scheme. Due to this, women get financial support and their dependence on anyone ends and also they feel self-confidence and mental security. Women entrepreneurs get immense encouragement through Mudra Yojana. Women who want to become self-reliant can take full advantage of this scheme. Lack of paper work, lack of financial management, etc. are the many factors that prevent women entrepreneurs to take Mudra loans.

Table 2 Number of accounts (male and female) opened under PradhanMantri Mudra Yojana scheme during 5 years (2015 to 2020) in different banks

S. No	Name of the Bank	2015–16		2016–17		2017–18		2018–19		2019–20	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1.	State Bank of India	3568	5353	3560	5340	4695	7042	5308	7961	6252	9378
2.	Punjab national Bank	2319	3479	2314	3471	3051	4577	3450	5175	4064	6096
3.	Canara Bank	2141	3212	2136	3204	2817	4225	3185	4777	3751	5627
4.	Bank of India	1784	2676	1780	2670	2347	3521	2654	3981	3126	4689
4.	Allahabad Bank	1606	2409	1602	2403	2113	3169	2388	3583	2813	4220
6.	Syndicate Bank	1427	2141	1424	2136	1878	2817	2123	3185	2501	3751
7	Central Bank of India	1249	1873	1246	1869	1643	2465	1858	2786	2188	3282
8.	Union Bank of India	1071	1606	1068	1602	1408	2113	1592	2388	1878	2813
9.	ICICI Bank	892	1338	890	1335	1174	1760	1327	1990	1563	2345
10.	HDFC Bank	714	1071	712	1068	939	1408	1062	1592	1250	1876
11.	Axis Bank	535	803	534	801	704	1055	796	1194	938	1407
12.	Kotak Mahindra Bank	357	535	356	534	469	704	531	796	625	938
13.	IndusInd Bank	178	268	178	267	235	352	265	398	313	469
	Mean	1372	2059	1369	2054	1806	2708	2041	3062	2405	3607
	S.D.	934	1401	932	1397	1229	1843	1393	2084	1636	2454

Table indicates that number of accounts (male and female) opened under PradhanMantri Mudra Yojana scheme during 5 years (2015 to 2020) in different banks; it was found that maximum number of account of female respondents from year 2015–2020 at various banks. Generally, the success of Government scheme depends on how actively these banks

Any financial institution believes in giving loan to certified person only so that the loan given can be easily returned to them. Women are even more afraid of taking loans because if they are not able to repay the loan within the stipulated time then they will have to face legal action by the financial institutions.

Table 3 Distribution of women beneficiaries according to business activities

Sl. No.	Purpose of availing loan	Frequency	Per cent
1.	Transport service		
a.	Two wheeler	–	–
b.	E-Rickshaw	5	2.5
c.	Three Wheeler	1	0.5
d.	Taxi car services	–	–
e.	Small trucks	–	–
2.	Community service		
a.	Boutique	15	7.5
b.	Beauty parlour/ salon	25	12.5
c.	Automobile/cycle repair shop	–	–
d.	Xerox/Printing shop	3	1.5
e.	General store	10	5.0
f.	Gymnasium	–	–
g.	Tailoring shop	30	15.0
h.	Clothing store	16	8.0
i.	Stationary store	5	2.5
j.	Cosmetic Shop	8	4.0
3.	Food Service sector		
a.	Fruit and Vegetable vendor	2	1.0
b.	Small Service Food vendor	6	3.0
c.	Bakery shop	5	2.5
d.	Canteen or Tiffin service	8	4.0
e.	Catering service	10	5.0
f.	Sweet shop	2	1.0
g.	Pickle and Papad making business	16	8.0
h.	Jam and jelly making business	3	1.5
i.	Ice cream and ice manufacturing unit	–	–
j.	Cold storage unit	–	–
4.	Textile workers/Artisan		
a.	Dying and printing	2	1.0
b.	Textile furnishing unit	6	3.0
c.	Zardozi and Zari work	2	1.0
d.	Chickenkari	20	10.0
e.	Digital embroidery	–	–
	Total	200	100.0

Table 4 Benefits for women under PradhanMantri Mudra Yojana scheme

Sl. No.	Benefits	Yes	No	Mean score	S.D.	Rank
1	Promote aspiring entrepreneur	190 (95.0)	10 (5.0)	1.95	1.38	II
2	Financial support to eligible female	200 (100.0)	–	2.00	1.41	I
3	No collateral security required	200 (100.0)	–	2.00	1.41	I
4	Affordable rate of interest	30 (15.0)	170 (85.0)	1.15	0.55	VII
5	Overdraft facilities	50 (25.0)	150 (75.0)	1.25	0.71	VI
6	No processing charges	80 (40.0)	120 (60.0)	1.40	0.89	V
7	Encourage women empowerment	200 (100.0)	–	2.00	1.41	I
8	Empower women to stand independently	175 (87.5)	25 (12.5)	1.87	1.32	III
9	To help the small scale enterprises	190 (95.0)	10 (5.0)	1.95	1.28	II
10	To provide loans to marginalized and suppressed section of the society	120 (60.0)	80 (40.0)	1.60	1.10	IV

(Figures in parentheses indicate the percentage of respective value)

Table 5 Constraints faced by women beneficiaries under PradhanMantri Mudra Yojana

Sl. No.	Constraints	Yes	No	Mean score	S.D.	Rank
1	Rigid social women	150 (75.0)	50 (25.0)	1.75	1.22	V
2	Risk aversion	130 (65.0)	70 (35.0)	1.65	1.14	VI
3	Lack of documentation/KYC	20 (10.0)	180 (90.0)	1.10	0.45	VIII
4	Lack of collateral security	–	200 (100.0)	1.00	0.00	IX
5	Terms and conditions by bank	190 (95.0)	10 (5.0)	1.95	1.38	II
6	Limited credit history	140 (70.0)	60 (30.0)	1.70	1.18	VI
7	Hidden information and cost	180 (90.0)	20 (10.0)	1.90	1.34	III
8	Ambiguity in application form	195 (97.5)	5 (2.5)	1.97	1.40	I
9	Unorganized representation	170 (85.0)	30 (15.0)	1.85	1.30	IV
10	Legal structure and related issues	150 (75.0)	50 (25.0)	1.75	1.22	V
11	Applied loan amount has not been full received	190 (95.0)	10 (5.0)	1.95	1.38	II
12	Migrant people faced difficulty in getting loan	30 (15.0)	170 (85.0)	1.15	0.55	VII

They want to avoid this entire situation. In many situations women beneficiaries did not get full sanctioned amount. The

bank does not provide them the amount they applied for the loan. There are many reasons behind this, such as the bank pays the loan amount on the basis of its terms and conditions only after checking the beneficiary's financial history, credit score, business layout etc. before sanctioning the loan amount. Women who belong to the marginalized section or from lower class also have to face many problems in getting loans. Financial institutions refuse to give loans, citing the lack of many basic documents. Therefore, migrant women who want to get employment by setting up their industry, they have to face these types of obstacles.

CONCLUSION

PradhanMantri Mudra Yojana has been introduced by GOI to support the low and weaker segment of the society to fund the unfunded and uplift the micro, medium and small-scale enterprises in the economy. Financing is the backbone of any enterprise and schemes like PradhanMantri Mudra Yojana help the emerging start-ups to setup and contribute to the economy GDP. From our study, it can be seen that banks are taking initiatives to promote the scheme as a result of which there is a year-on-year increase in the number of loan accounts created as well as loan amount sanctioned and loan amount disbursed. Every scheme has its own economic goals and targets. Mudra also has its own economic role to play which includes extending credit growth, formalization of economy, encouraging new businesses to take loans and most importantly jobs creation. Mudra is a step in the right direction to achieve financial inclusion, increase employment and also increase the number of self-employed people.

Recommendations

1. Literacy among women is very important to understand the correspondence of the bank such as maintaining book of accounts, legal formalities and other paperwork.
2. Government should take measures to enhance the performance of the public sector banks.
3. Skill development/ skill training programmes should organize for the people availing loans would help to maximize the impact of the scheme along with making it more viable at the end of the beneficiary.

Acknowledgement

Garima Singh is a recipient of Indian Council of Social Science Research Doctoral Fellowship. Her article is largely an outcome of her doctoral work sponsored by ICSSR. However, the responsibility for the facts stated, opinions expressed and the conclusions drawn is entirely that of the author.

References

- Adwal, V.K. (2019). An evaluation of role of commercial; banks in implementation of economic welfare programs in India: a case study of PradhanMantri Jan DhanYojna (PMJDY) and Micro Units Development and Refinance Agency (MUDRA). *The Research Journal of Social Sciences*, **10**(4) : 264-272, ISSN(O): 2456-1356.
- Dixit, S.M. (2017). Closing the Credit Gap in Women Owned SMEs for Societal Transformation: A Theoretical Assessment of Indian Scenario. *Aweshkar Research Journal*, 31-45.
- GunjanBhayana, Rashmi and Prof. Raj Kumar (2020). "Role of Mudra Yojana in Entrepreneurship Development". *Pacific Business Review International*, **13**(4) October 2020 http://www.pbr.co.in/2020/2020_month/October/6.pdf