

IMPACT OF MUDRA SCHEME ON MICRO AND SMALL SCALE ENTERPRISES - A STUDY WITH REFERENCE TO MANGALURU CITY

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Abstract: In India capital is scarce and labor is abundant. Government provides financial support for youth for the development of micro and small scale enterprises. MUDRA scheme is a dream project of Indian government to promote entrepreneurship among the Indian youth so that they can become job creator instead of job seeker.

The present study is an empirical study which is based on primary data collected from 100 respondents with the help of structured questionnaire. Descriptive statistics had been used to analyze the impact of MUDRA scheme on micro and small scale enterprises. The study concluded that micro and small scale enterprises increased their profit after availing loan under MUDRA scheme.

KEYWORDS: Financial support, entrepreneurship, job creator, MUDRA scheme etc.

I. INTRODUCTION:

Mudra scheme is a flagship scheme of Government of India to “fund the unfunded” by bringing such entrepreneurship to the formal financial system and extending affordable credit them. It enables to micro and small enterprises to borrow up to Rs. 10lakh. The scheme was introduced on 8th April, 2015 by Honorable Prime Minister. Loans worth Rs. 82440.87 crore have so far been sanctioned in financial year 2018-19, according last update on PMMY’s website (as on September 7, 2018).

I.1 PRODUCTS OF MUDRA SCHEME:

- Shishu: covering loans up to Rs. 50,000.
- Kishor: covering loans Rs. 50000 to Rs. 5 lakh.
- Tarun: covering loans Rs. 5 lakh to Rs. 10 lakh.

I.2 MUDRA CARD:

It provides working capital facility as a cash credit arrangement. Mudra card is a debit card issued against MUDRA loan account for working capital portion of the loan. It will help in digitalisation of MUDRA transactions and creating history for the borrower. It is a Rupay card that can be operated across the country for withdrawal from any ATM and also make payment through any Point of Sale machines.

I.3 ELIGIBILITY:

The non-corporate small business segment comprising proprietorship or partnership firms running as small manufacturing units, service sector, shop keeper, fruits or vegetable vendor, truck operator, food – service unit, repair shop, machine operator, small industries, artisans, food processors and others, in rural and urban areas, can avail loans.

The present study helps to know the impact of MUDRA scheme on micro and small scale enterprises. The study concluded that micro and small scale enterprises increased their profit after availing loan under MUDRA scheme.

2. OBJECTIVES OF THE STUDY:

The objective of the study is given below:

1. To understand the concept of Mudra scheme.
2. To study the impact of mudra scheme on micro and small enterprises.
3. To recommend suggestions on the basis of findings of the study.

3.1. METHODOLOGY:

The study was based on 100 respondents. The study is accomplished with the help of structured questionnaire circulated to micro and small scale enterprises who avail benefit under mudra scheme. The study was carried out by using primary data which is collected with the help of questionnaire.

3.2. RESEARCH INSTRUMENT FOR THE STUDY:

In order to measure the response from the respondents, structured questionnaire was used. The data collected from the respondents is recorded in SPSS. Descriptive statistics i.e., frequency method had been used in order to fulfill the different objective of the study.

4. DATA ANALYSIS AND INTERPRETATION

Personal details of respondents:

4.1. GENDER

		Frequency	Valid Percent	Cumulative Percent
Valid	Male	60	60.0	60.0
	Female	40	40.0	100.0
	Total	100	100.0	

Source: survey data

From the above table shows that 60% of the respondents are male and rest of them female.

4.2. AGE

		Frequency	Valid Percent	Cumulative Percent
Valid	20-30	24	24.0	24.0
	30-40	36	36.0	60.0
	Above 40	40	40.0	100.0
	Total	100	100.0	

Source: survey data

It is observed from the above table that the maximum numbers of respondents are the age group of above 40.

4.3. INCOME

		Frequency	Valid Percent	Cumulative Percent
Valid	Less than 10000	34	34.0	34.0
	10000-20000	28	28.0	62.0
	20000-30000	38	38.0	100.0
	Total	100	100.0	

The above table reveals that maximum number of respondents is earning income between Rs. 20000 to Rs. 30000.

4.4. KIND OF MICRO/SMALL SCALE ENTERPRISES

		Frequency	Valid Percent	Cumulative Percent
Valid	Food processing	40	40.0	40.0
	Fruit/ vegetable	48	48.0	88.0
	Service units	12	12.0	100.0
	Total	100	100.0	

Source: Survey Data

As shown in the above table 48% of the respondents are fruit/ vegetable vendor.

5. SURVEY QUESTIONNAIRE**5.1. DO YOU KNOW ABOUT MUDRA SCHEME?**

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	98	98.0	98.0
	No	2	2.0	100.0
	Total	100	100.0	

Source: Survey data.

It is seen from the table that the 98% of the respondent are aware about MUDRA scheme.

5.2. DID YOU AVAIL LOAN UNDER MUDRA SCHEME?

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	59	59.0	59.0
	No	16	16.0	75.0
	Under consideration	25	25.0	100.0
	Total	100	100.0	

Source: Survey data

It is known from the above tables, 59% of the respondents are avail loan under MUDRA scheme.

5.3. UNDER WHICH CATEGORY OF LOAN YOU AVAIL?

		Frequency	Valid Percent	Cumulative Percent
Valid	Shishu	68	68.0	68.0
	Kishor	20	20.0	88.0
	Tarun	12	12.0	100.0
	Total	100	100.0	

Source: Survey data

As per survey, 68% of the respondents are avail loan under shishu category of MUDRA scheme.

5.4. DID YOU FACE ANY DIFFICULTY TO AVAIL LOAN

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	60	60.0	60.0
	No	40	40.0	100.0
	Total	100	100.0	

Sources: Survey data

From the above table, 60% of the respondents are face difficulty in availing loan under MUDRA scheme.

5.5. HOW DID YOU UTILISE THE LOAN AMOUNT?

		Frequency	Valid Percent	Cumulative Percent
Valid	Working capital	56	56.0	56.0
	Stock purchase	24	24.0	80.0
	Improvement of premises	8	8.0	88.0
	Inline activity assition	12	12.0	100.0
	Total	100	100.0	

Source: Survey data

The above table reveals that 56% of the respondents are utilize the loan amount for working capital purpose.

5.6. DID YOU GET MUDRA CARD?

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	40	40.0	40.0
	No	60	60.0	100.0
	Total	100	100.0	

Source: Survey data

The above table exhibits that out of 100 respondents, 40% of the respondents are get MUDRA card.

5.7. WHAT IMPACT DO YOU FEEL ON BUSINESS AFTER AVAIL LOAN?

		Frequency	Valid Percent	Cumulative Percent
Valid	Increased turnover	42	42.0	42.0
	Increased profit	48	48.0	90.0
	Better financial Security	10	10.0	100.0
	Total	100	100.0	

Source: Survey data

The above table states that 48% of respondent increased their profit after avail loan under MUDRA scheme.

6. FINDINGS OF THE STUDY:

- 60% of the respondents are male and rest of them are female.
- 40% of the respondents are in the age group above 40 years.
- 38% of the respondents having income between Rs. 20000-300000
- 48% of the respondents are fruit/ vegetable vendor.
- 98% of the respondents are aware about MUDRA scheme.
- 59% of the respondent are avail loan under MUDRA scheme.
- 68% of the respondent are avail loan under Shishu category of Mudra Scheme.
- 60% of the respondent are face difficulty in availing loan under MUDRA scheme.
- 56% of the respondent are utilise the loan amount for working capital purpose.
- 60% of the respondent are get MUDRA card.
- 48% of the respondent are increased their profit after availing loan under MUDRA scheme.

7. SUGGESTIONS:

- Provide necessary knowledge about MUDRA scheme.
- Government should undertake various campaign to provide knowledge about MUDRA scheme to general public.
- Suggesting to Government of India to develop mobile MUDRA scheme.
- Encourage the micro and small scale enterprises to avail loan under MUDRA scheme instead of opting other credit facility of banks and other financial institutions.
- Fix the various difficulties faced by enterprises while availing loan under MUDRA scheme.

8. LIMITATION OF THE STUDY:

- The survey was conducted only in mangaluru city. Hence the result arrived from this study may not be applicable to other areas.
- The study mainly focuses on impact of MUDRA scheme on micro and small scale enterprises.

9. CONCLUSION:

The present study has ended up with to understand impact of MUDRA scheme on micro and small scale enterprises. It was find that micro and small enterprises have significant and positive impact on MUDRA scheme. Individuals are aware about MUDRA scheme and they avail loan under shishu category of MUDRA scheme. The study concluded that micro and small scale enterprises increased their profit after availing loan under MUDRA scheme.

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