



# “Problems faced by women of Pradhan Mantri Mudra Yojana scheme in Lucknow city”

Garima Singh<sup>1</sup> and Neelma Kunwar<sup>2</sup>

<sup>1</sup>Research Scholar, 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, Kanpur. [garimasingh1690@gmail.com](mailto:garimasingh1690@gmail.com)

<sup>2</sup>Professor, C.S. Azad University of Agriculture and Technology, Kanpur.

**Abstract:** 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.

**Key words:** Problems, Financial, Scheme, Mudra, PMMY

## I. Introduction

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.

Financial inclusion of women is particularly important for gender equality and women's economic empowerment. But, there are innumerable challenges and issues that women face in Pradhan Mantri Mudra Scheme. These are; Lack of education, Low risk bearing ability, Lack of market information, Male dominated society, Bank formalities and complex procedure, Lack of information about scheme.

In addition to above problems, inadequate infrastructural facilities, social attitude, low need for achievement and socio-economic constraints also held women back from entering into business and take advantage of government run schemes.

## II. Objectives

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

## III. 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.

## IV. Results

**Table 1.** Distribution of women beneficiaries according to education

Education	Frequency	Per cent
High School	10	5.0
Intermediate	100	50.0
Graduate	80	40.0
Post graduate/above	-	-
Technical qualification	10	5.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

Women being less educated are taking the help of Pradhan Mantri Mudra Yojna to run their own employment. This scheme is also very beneficial for less educated people as they are also eligible for this scheme.

**Table 2.** Distribution of women beneficiaries according to purpose of availing loan

Sl. No.	Purpose of availing loan	Frequency	Per cent
1.	Startup capital	75	37.5
2.	Expansion of existing business	125	62.5
	<b>Total</b>	<b>200</b>	<b>100.0</b>

The main purpose of availing Mudra loan is income generation and employment creation. A person takes loan only when he is unemployed or he needs money to run his livelihood and also when one can extend their business for more profit or grow their business for making more profit to fulfill his family needs can take Mudra loan. If a women is running any business than to develop her business better and to increase the scope she will avail a loan.

**Table 3.** Distribution of women beneficiaries according to business activities

Sl. No.	Purpose of availing loan	Frequency	Per cent
1.	<b>Transport service</b>		
a.	Two wheeler	–	–
b.	E-Rickshaw	5	2.5
c.	Three Wheeler	1	0.5
d.	Taxi car services	–	–
e.	Small trucks	–	–
2.	<b>Community service</b>		
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.	<b>Food Service sector</b>		
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.	<b>Textile workers/Artisan</b>		
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	–	–
<b>Total</b>		200	100.0

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.

**Table 4.** Problems faced by women beneficiaries under Pradhan Mantri Mudra Yojana

Sl. No.	Problems	Yes	No	Mean score	S.D.	Rank
1	Lack of education and knowledge	80 (40.0)	120 (60.0)	1.40	0.89	X
2	Lack of skills and technical knowledge	100 (50.0)	100 (50.0)	1.50	1.0	IX
3	Communication with bank officials	200 (100.0)	-	2.00	1.14	I
4	Bank formalities	200 (100.0)	-	2.00	1.14	I
5	Financial illiteracy	180 (90.0)	20 (10.0)	1.90	1.34	III
6	Safety and security issues	165 (82.5)	35 (17.5)	1.82	1.28	V
7	Low self confidence	150 (75.0)	50 (25.0)	1.75	1.22	VII
8	Time management	130 (65.0)	70 (35.0)	1.65	1.14	VIII
9	Dominance from male counterparts	170 (85.0)	30 (15.0)	1.85	1.30	IV
10	Lack of market information	180 (90.0)	20 (10.0)	1.90	1.34	III
11.	Low risk taking ability	160 (80.0)	40 (20.0)	1.80	1.25	VI
12.	Complex procedure of lending institution	190 (95.0)	10 (5.0)	1.95	1.38	II
13.	Business/capacity building	150 (75.0)	50 (25.0)	1.75	1.22	VII

(Figures in parentheses indicate the percentage of respective value)

Women in India have to face many problems to pursue their life in business. The biggest hurdle for women entrepreneurs is that they are women. About 60.0 per cent of women in India are still illiterate. Even today women are underestimated in comparison to men in social background not much attention is paid to their education either. Illiteracy is the root cause of socio-economic problems. Due to lack of education, women are ignorant of business, technology and market. It also lowers achievement motivation among women. Thus, the lack of education creates problems for women in setting up and running business enterprises. There is also a low level of awareness among women when they are uneducated. Being a male dominated society, girl's education is not promoted in many areas in India. For which they have to face many types of problems in their life. There is a lack of technology and skills among women entrepreneurs in many fields. In this way, many women want to do enterprise, but due to family pressure and hesitation they are not able to fulfill it. Lack of communication with bank employees is also a major problem of women entrepreneurs in the process of availing Mudra loan from banks. The main root of all these problems is illiteracy.

## V. Conclusion

Women entrepreneur in India has also lack of business capacity building. To creating access to credit, skill training, job placements and economic literacy these are some major point lacking in small women



entrepreneur who results in low business capacity building is seen in women entrepreneur in India. There are innumerable challenges and issues that women face that concern physical and mental health.

## VI. Recommendations

1. Women should be made fully aware about this scheme and training should also be given related to scheme which will help them to understand financial assistance, subsidy knowledge and rules or regulations of lending institutions.
2. The government of India should organize a fair or Mahila Haat at the district level every year to promote the product of skilled women.

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