

BANKERS PERCEPTION TOWARDS MUDRA YOJANA: A STUDY OF NORTH INDIA

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ABSTRACT

The prime objective of this research work was to know Banker's Perception towards Pradhan Mantri MUDRA Yojana for which primary data has been collected from North Indian States with the help of designed questionnaire. The target population was bank managers and assistant bank managers whose bank branches were located close or adjacent to the national highways. The data has been analysed by applying the one way – ANOVA to test the equality of mean of different categories of different groups of respondents based on Banker's education level, State, branch location, type of loan and type of institutions. The validity and reliability statistics (Cronbach ALpha) has been found 0.709 from 35 items. Based on statistical techniques, it has been proved that MUDRA scheme require very less documentation formalities, it is fulfilling the objective to provide funding to the non-funded. Therefore, it is helpful for job creators and not job seekers of weaker section of the society and unemployed. Therefore, this scheme should be kept continue provided the amount given under Shishu and Kishor scheme is increased to respectable level. Apart from this, the implementation and monitoring process of the scheme should be improved so that the level of increasing nonperforming assets of banks can be kept under control. Currently, the irony of the system is that banker are not ready to accept publicly that MUDRA loans are converting into non-performing assets.

Keywords: Perception, Financial inclusion, banker and MUDRA

INTRODUCTION

The economic census survey of 2012 highlighted that 57.7 million enterprises in India generate employment for 460 million people, of which 262 million people are self-employed. CII survey found that MSME sector registered a growth of 13.9 percent in job creation since last 4 years at compounded growth rate of 3.3 percent annually

and added 13.5-14.9 million jobs per annum. The Prime Minister Shri Narendra Modi set target of USD 5 trillion economy till 2025-26 and this objective can be fulfilled with the help of MSME sector. Unfortunately, MSMEs sector has been facing challenges at the front of credit accessibility for their working capital requirement. Somewhere, the proposal of Micro Units Development & Refinance Agency (MUDRA) announced in the Union Budget 2015-16 was an attempt to cater the working capital needs of SME sector. Therefore, Honourable Prime Minister Shri Narendra Modi launched PMMY (Pradhan Mantri MUDRA Yojana) in April 2015 as a vision to provide funding the unfunded and most of the unfunded businesses belongs to MSME sector. As, everyone know that the MSME sector is bulwark of the Indian economy and this sector presently contributing around 44 percent to India's total GDP.

MSME sector roughly has 45 percent contribution in India's exports yearly (MSME annual report 2015). Micro-enterprises are generating about 90per cent of non-agriculture employment, despite the challenges alike lack of credit and lack of technology etc. Therefore, PMMY has been launched to fulfil at least financial needs of this sector in anticipation that it would be proved as saviour of the MSME sector. Under PMMY during financial year 2017-18 total disbursed amount was Rs 2, 46,437 crore. Out of this, around 40 percent amount disbursed to women entrepreneurs and roughly 33 percent was disbursed to socially marginalised section and other backward class. Almost 4.81 crore micro and small enterprises borrowers were benefitted by PMMY during the same financial year (Annual MUDRA report 2017-18). Consequently, MUDRA scheme with the help of MUDRA bank and commercial banks has increased the penetration of financial inclusion among the middle income society. Although, MUDRA bank is not a direct lending institution but offers loans through scheduled commercial banks, regional rural banks and NBFCs.

REVIEW OF LITERATURE

Seema (2015) found the Mudra scheme is immensely adopted and implemented by the financial institutions. Consequently, the small entrepreneurs earlier who were not a part of financial system get access to the general banking

system and contributed to the mainstream economy. Singh, N. & Martolia, R. (2017) found PMMY promoted the small-scale industries, consequently, the number of startups have increased in small business categories. PMMY make small businesses more self-reliant and innovative and ultimately contributing in the Make in India programme. Nair, A. R. (2018) found that the satisfaction level among the MUDRA beneficiaries high, due to absence of collateral security and relatively low interest rate in spite of collateral free loan. Majority of the respondents applied for the Shishu category rupees 50,000 MUDRA Loan Vis a Vis Kishor and Tarun category. George, B. & Nalini, J. (2018) reported that MUDRA scheme benefitted the entrepreneurs and enhanced the well-being of the entrepreneurs of small-scale industries. They definitely contributed to the economic growth as a whole. MUDRA scheme enthused confidence in the young educated and skilled workers who become the first-generation entrepreneurs and expanded their existing business activities due to MUDRA scheme.

Rajak, P. K. (2017) concluded that the small businesses are the stepping-stone of economic development and MUDRA Yojana is the profound move to reinforce and buoyed these businesses. Gupta, S. (2015) pointed out that MUDRA formalized the informal sector and tendered funding to the unfunded at low interest rates. Accordingly, MUDRA bridge the gap in Indian microfinance space and deeper the financial inclusion penetration and reached to the last mile beneficiary. Venkatesh, J. & Kumari, R. L. (2015) highlighted the pivotal role played by MUDRA bank in significant growth of MSMEs because the primary objective of MUDRA Bank is to encourage the non-corporate small entrepreneurs. Rajeev & Dhirender (2017) steered a survey to evaluate the impact of MUDRA loan on micro and small printing units. The study found that due to MUDRA loan 40per cent printers modernized their printing machinery, 36per cent printers accomplished whole work at own printing facility, 23per cent printers obtained sufficient working capital to perform their daily operations and 48per cent printer owners opined that loan disbursed under the scheme should be increased.

Agarwal, M. & Dwivedi, R. (2017) highlighted negative growth in account holder numbers and

disbursed amount in union territory of Lakshadweep and Andaman and Nicobar. Slow growth rate noticed in MUDRA disbursement throughout country barring Assam and Tripura registered growth 179per cent and 189per cent respectively. Number of general category beneficiary are more but amount disbursed to OBC category beneficiary is high while, SC and ST category beneficiary are lacking in total actual amount disbursed but number of SC and ST holders are satisfactory. Lastly, they concluded if MUDRA scheme fairly implemented, it would be a game changer for Indian economy and Indian government.

STATEMENT OF THE PROBLEM AND OBJECTIVE OF THE STUDY

The reviewed literature identified that most of the available literature in this area is either conceptual or secondary data base, where importance of MUDRA scheme has been explained by highlighting that MUDRA scheme has benefitted the unfunded non-corporate small business entrepreneurs in establishing their business. Another finding based on the reviewed literature is that all the researchers have ignored the important intermediary of MUDRA loan scheme i.e. commercial banks or their employees. Further, all these studies are conceptual and based on secondary data of only two-three years. So, it is very difficult to rely on the conclusion of these studies.

Therefore, some primary data base or descriptive study should be carried out instead of exploratory research. So far, no one has attempted to assess the impact of MUDRA scheme on the level of employment, banker's and borrower's feedback or perception towards PMMY. Therefore, an endeavor has been made here to study the "*Banker's Perception towards Pradhan Mantri MUDRA Yojana*".

RESEARCH METHODOLOGY

This study is primary data based descriptive study for which a questionnaire has been designed to collect the data from the target population i.e. bank managers and assistant bank manager. Convenient sampling method has been used to collect the data. Only those bankers were approached, whose bank branches were located close or adjacent to the national highways. Initial section of questionnaire

comprises the questions to know about the demographic profile of the bankers like age, gender, qualification, state, location, etc. Later section consists of 35 statements using a five-point Likert scale (Strongly Agree = 5, Agree = 4, Neutral = 3, Disagree = 2 and Strongly Disagree = 1). The respective statements of the questionnaire articulate the banker's perception. The data has been analysed by applying the one way – ANOVA to test the equality of mean of different categories of different groups of respondents on the basis of Banker's education level, State, branch location, type of loan and type of institutions with the help of IBM SPSS statistics 20.0.

The validity and reliability statistics has been checked by Cronbach alpha and the KMO and Bartlett's test of Sphericity has been used check the sampling adequacy. For this data set the value of coefficient of Cronbach Alpha has been found 0.709 from 35 items. The 0.709 value of coefficient of Cronbach alpha represents satisfactory internal consistency or reliability of the questionnaire (Schmitt, 1996). This indicates that the further analysis can be continued. Further, the coefficient value of Kaiser Meyer Olkin has been found significant 0.738, it means sample size is adequate.

Hypotheses of the study

To achieve the objective of the research following null hypotheses have been framed:

H₀₁: There is no significant difference in the banker's perception towards Prime Minister MUDRA Yojana based on education level of the respondent.

H₀₂: There is no significant difference in the banker's perception towards Prime Minister MUDRA Yojana based on State of the respondent.

H₀₃: There is no significant difference in the banker's perception towards Prime Minister MUDRA Yojana based on location of branch of the respondent.

H₀₄: There is no significant difference in the banker's perception towards Prime Minister MUDRA Yojana based on loan type.

H₀₅: There is no significant difference in the banker's perception towards Prime Minister MUDRA Yojana based on type of institution (based on ownership) of the respondent.

Respondents Profile

The table 1 explains the profile of total 161 respondents, out of which 11 (6.8 per cent) respondents were below the age of 25 years. Bankers of age group of 26-30 years were 46 (28.6 per cent), further 80 (49.7 per cent) respondents were belonging to 31-40 age group, whereas only 10 (6.2 per cent) respondents were found of 41-50 years of age group and 14 (8.7 per cent) respondents were found of age group of 50 years and above. Majority of the respondents, 139 (86.3 per cent) were male and rest 22 (13.7 per cent) respondents were female. Out of total 161 respondents, 59 (36.6 per cent) respondents were Graduate, 57 (35.4 per cent) respondents were Post Graduate and 45 (28 per cent) respondents were CA/CS/MBA/M.Com. Majority of the respondents were 83 (51.5 per cent) Branch Manager, 73 (43.5 per cent) respondents were Assistant Manager and eight (5 per cent) respondents were Clerk. In most of the sampled branches either the branch manager or assistant branch manager were looking after the distribution of MUDRA loan and in very few cases responsibility of MUDRA was assigned to clerks. Out of total 161 respondents, 28.6 percent were from Haryana, 30.4 percent were from Punjab, 21.7 percent were from Jammu & Kashmir and 19.3 percent were from Himachal Pradesh.

Table 1: Demographic profile of Bankers

Category	Frequency	Percentage
Age of the respondent		
Upto-25	11	6.8
26-30	46	28.6
31-40	80	49.7
41-50	10	6.2
50 and above	14	8.7
Gender of the respondent		
Male	139	86.3
Female	22	13.7
Education Level		
Graduate	59	36.64
Post Graduate	57	35.4
CA/CS/MBA/MCOM	45	28.0
Designation of the respondent		
Branch Manager	83	51.5
Assistant Manager	70	43.5

Clerk	8	5.0
State of the respondent		
Haryana	46	28.6
Punjab	49	30.4
Jammu & Kashmir	35	21.7
Himachal Pradesh	31	19.3
Branch Location		
Urban	47	29.2
Semi-Urban	89	55.3
Rural	25	15.5
Loan Type		
SHISHU	23	14.3
KISHOR	12	7.5
TARUN	6	3.7
SHISHU & KISHOR	30	18.6
ALL Three	90	55.9
Type of Institution		
PSU Banks	120	74.5
Private Banks	32	19.9
Co-Op.bank/Mic.Fin.Int.	9	5.6

(Source: Author's own)

Out of total 161 branches, 47 (29.2 per cent) branches located in urban areas, 87 (55.3 per cent) branches located in Semi-Urban areas and remaining 25 (15.5 per cent) branches located in Rural areas. 14.3 per cent respondents availed Shishu loan, 7.5 per cent respondents availed Kishor loan, 3.7 per cent respondents availed Tarun loan, 18.6 per cent respondents availed both SHISHU and KISHOR loan and 55.9 per cent respondents availed all three types Shishu, Kishore and Tarun loan. PSU Banks disbursed 74.5per cent loan, private banks disbursed 19.9per cent loan and other financial institutions disbursed 5.6per cent loan.

FINDINGS

Table 2 represents the output of one-way ANOVA analysis based on education level of the respondent regarding Banker's Perception towards PMMY. ANOVA analysis applied to test whether Mean of different categories based on education levels are significantly different from each other regarding Banker's perception towards PMMY.

Table 2: Results of ANOVA Analysis on the basis of Respondent Education Level (Independent Variable)

Statement	Mean Score			ANOVA		Hypothesis
	Graduate 59	Post Graduate 57	CA/CS/ MBA/ M.Com 45	F	Sig.	Result
Documentation formalities are very less for MUDRA loan.	3.93	4.05	3.75	1.556	.214	Accepted
The terms and conditions of the loan are governed by the policies of the MUDRA.	4.12	3.98	3.89	1.353	.261	Accepted
PMMY is fulfilling the objective to provide funding to the non- funded.	3.78	3.84	3.89	.193	.825	Accepted
The MUDRA loan is helpful for job creators and not job seekers.	3.51	3.93	3.69	2.551	.081	Accepted
Amount given under MUDRA scheme is sufficient to start the business.	3.86	3.84	3.91	.071	.932	Accepted
MSMEs demand for loan is much more in comparison to Maximum loan sanctioned under MUDRA TARUN scheme.	3.59	3.65	3.49	.363	.696	Accepted
There is Lack of implementation and monitoring of MUDRA schemes.	2.74	3.25	3.40	5.469	.005*	Rejected
Making compulsory for each bank branch to lend these loans will strength your bank/institutional capacity.	3.01	3.43	3.24	2.156	.119	Accepted
This scheme is rebranding of earlier schemes as most of the funding is through diversion of similar schemes to MUDRA.	3.13	3.58	3.58	3.257	.041**	Rejected
This scheme focuses on weaker section of the society.	3.56	3.80	3.89	1.533	.219	Accepted
Guarantor is mandatory for this type of loans.	2.20	2.38	2.47	.678	.509	Accepted
Other schemes failed to provide loan to most vulnerable and landless sections.	2.79	2.88	2.82	.085	.918	Accepted
MUDRA acts as umbrella for all the MUDRA schemes.	3.50	3.67	4.38	1.717	.183	Accepted
Lack of credit facility to unorganized business sector has led government to devise MUDRA scheme to secure credits.	3.39	3.52	3.51	.355	.702	Accepted
Nonperforming assets of banks will increase due to MUDRA loan.	3.42	3.67	3.64	.862	.424	Accepted
MUDRA loan holders are repaying EMI regularly.	2.85	2.91	2.78	.269	.765	Accepted
MUDRA scheme has created awareness and mass interest for self employment.	3.64	3.70	3.84	.723	.487	Accepted
The repayment terms are decided by the anticipated cash flow from the business activity.	3.35	3.63	3.80	3.426	.035**	Rejected
These loans are converting into Non – Performing Assets.	3.20	3.31	3.46	.739	.479	Accepted
Some of the borrower offer bribes to pass the loan.	2.83	2.50	2.60	.981	.377	Accepted
MUDRA loan Yojana is very good to start the start-ups.	3.84	4.17	3.87	2.836	.062	Accepted
MUDRA loan do not require any type of collateral security.	3.84	4.19	3.87	1.908	.152	Accepted

There is a need to develop and expand the delivery channel at the ground level by MUDRA.	3.69	4.01	3.84	1.737	.179	Accepted
MUDRA should acquire all the Cooperative and Regional Rural bank to make biggest MUDRA bank.	3.47	3.64	4.04	3.998	.020**	Rejected
The rate of interest is decided by the MUDRA.	3.13	2.94	3.11	.426	.654	Accepted
The terms and conditions of the loans are governed by the policies of the lending institutions.	3.49	3.81	3.87	2.611	.077	Accepted
MUDRA refines the MUDRA loans given by your bank in reality.	3.22	3.17	3.24	.056	.946	Accepted
All the banks are very enthusiastic to give MUDRA loan.	3.35	2.93	2.95	2.811	.063	Accepted
Processing fee to process the MUDRA loan is same as of all other type of loans.	2.62	2.91	2.89	1.094	.337	Accepted
The eligibility for the MUDRA loan is decided at bank branch level.	3.85	3.91	3.55	2.055	.131	Accepted
The margin of the banks has decreased because of MUDRA loan.	3.23	3.10	3.15	.271	.763	Accepted
MUDRA loans are wastage of money.	2.23	1.91	2.15	1.934	.148	Accepted
MUDRA SHISHU scheme is joke to the borrowers.	2.27	2.03	2.13	.782	.459	Accepted
MUDRA loan catering the needs of the Non Corporate Small business segment for bringing them in the mainstream of society.	3.84	3.80	3.89	.116	.890	Accepted
MUDRA scheme should be kept continue.	3.74	3.96	3.66	1.520	.222	Accepted

(Source: Based on Primary data, *Significant at 1per cent level and**Significant at 5per cent level)

The Null hypothesis (H₀₁) that there is no significant difference (at 5per cent significance level) in the banker's perception towards Prime Minister MUDRA Yojana based on education level has been accepted here except few statements which have been discussed below. Significance difference has been found at 1per cent level of significance (F=5.469; p- monitoring of MUDRA schemes. Post graduate and MBA/CA/CS bankers are agreed with the statement and graduate bankers are disagreed with the statement. Therefore, Null Hypothesis (H₀₁) has been rejected. Also, a significance difference has been found at 5per cent level of significance value=.005) with regard to the statement that there is lack of implementation and (F=3.257; p-value=0.041) with regard to the statement that this scheme is rebranding of earlier schemes as most of the funding is through diversion of similar schemes to MUDRA. Again, postgraduate bankers are relatively more agreed with the statement. Thus, Null Hypothesis (H₀₁) has been rejected. Once again, significance difference has also been established between the mean of different groups based on education level

of respondents at 5per cent level of significance (F= 3.426; p-value=.035) with regards to the statement that the repayment terms are decided by the anticipated cash flow from the business activity. Here, postgraduate bankers are relatively more agreed, though all the bankers are agreed but MBA/CA/CS qualified bankers are reasonably more agree with the statement. Hence, Null Hypothesis (H₀₁) has been rejected. Similarly, significance difference has been found at 5per cent level of significance (F=3.998; p-value= 0.020) when looked upon statement that MUDRA should acquire all the Cooperative and Regional Rural bank to make biggest MUDRA bank. Once again, bankers with MBA/CA/CS degree have been found fairly more agreed with the statement, consequently, the Null Hypothesis (H₀₁) has been rejected.

Table 3 depicts the results of one-way ANOVA analysis of four groups based on respondent's State (Haryana, Punjab, Himachal Pradesh and Jammu & Kashmir) to draw inference from the drawn sample from the universe assumed to have equal Mean.

Table 3: Results of ANOVA Analysis on the basis of Respondent State (Independent Variable)

Statement	Mean Score				ANOVA		Hypothesis Result
	Haryana 46	Punjab 49	J&K 35	HP 31	F	Sig.	
Documentation formalities are very less for MUDRA loan.	4.02	3.92	3.74	4.00	.816	.487	Accepted
The terms and conditions of the loan are governed by the policies of the MUDRA.	4.15	3.84	3.97	4.09	1.749	.159	Accepted
PMMY is fulfilling the objective to provide funding to the non- funded.	3.91	3.67	3.80	4.00	1.015	.388	Accepted
The MUDRA loan is helpful for job creators and not job seekers.	3.84	3.55	3.74	3.71	.690	.560	Accepted
Amount given under MUDRA scheme is sufficient to start the business.	3.83	3.78	4.00	3.94	.485	.693	Accepted
MSMEs demand for loan is much more in comparison to Maximum loan sanctioned under MUDRA TARUN scheme.	3.43	3.77	3.60	3.48	1.174	.321	Accepted
There is Lack of implementation and monitoring of MUDRA schemes.	3.17	3.37	3.06	2.68	2.561	.057	Accepted
Making compulsory for each bank branch to lend these loans will strength your bank/institutional capacity.	3.28	3.39	3.26	2.87	1.486	.221	Accepted
This scheme is rebranding of earlier schemes as most of the funding is through diversion of similar schemes to MUDRA.	3.59	3.22	3.66	3.19	1.969	.121	Accepted
This scheme focuses on weaker section of the society.	3.85	3.71	3.80	3.55	.580	.629	Accepted
Guarantor is mandatory for this type of loans.	2.46	2.32	2.26	2.29	.219	.883	Accepted
Other schemes failed to provide loan to most vulnerable and landless sections.	2.89	2.96	2.74	2.64	.680	.566	Accepted
MUDRA acts as umbrella for all the MUDRA schemes.	3.87	3.47	4.37	3.61	.975	.406	Accepted
Lack of credit facility to unorganized business sector has led government to devise MUDRA scheme to secure credits.	3.78	3.43	3.26	3.32	2.645	.051	Accepted
Nonperforming assets of banks will increase due to MUDRA loan.	3.52	3.57	3.66	3.55	.107	.956	Accepted
MUDRA loan holders are repaying EMI regularly.	2.67	2.82	2.97	3.03	1.206	.310	Accepted
MUDRA scheme has created awareness and mass interest for self employment.	3.80	3.71	3.66	3.68	.236	.871	Accepted
The repayment terms are decided by the anticipated cash flow from the business activity.	3.69	3.59	3.60	3.35	.923	.431	Accepted
These loans are converting into Non –Performing Assets.	3.35	3.47	3.23	3.13	.709	.548	Accepted
Some of the borrower offer bribes to pass the loan.	2.76	2.98	2.60	2.03	3.871	.011**	Rejected
MUDRA loan Yojana is very good to start the start-ups.	3.93	3.92	3.86	4.23	1.312	.273	Accepted
MUDRA loan do not require any type of collateral security.	3.93	4.04	4.14	3.74	.884	.451	Accepted
There is a need to develop and expand the delivery channel at the ground level by MUDRA.	3.74	3.98	3.80	3.87	.561	.642	Accepted
MUDRA should acquire all the Cooperative and Regional Rural bank to make biggest MUDRA bank.	3.78	3.77	3.68	3.45	.757	.520	Accepted
The rate of interest is decided by the MUDRA.	2.85	3.28	2.97	3.13	1.218	.305	Accepted
The terms and conditions of the loans are governed by the policies of the lending institutions.	3.65	3.69	3.94	3.55	1.102	.350	Accepted
MUDRA refinances the MUDRA loans given by your bank in reality.	3.50	2.92	3.23	3.22	2.440	.166	Accepted

All the banks are very enthusiastic to give MUDRA loan.	3.13	3.00	3.14	3.13	.172	.915	Accepted
Processing fee to process the MUDRA loan is same as of all other type of loans.	2.89	2.69	2.80	2.84	.249	.862	Accepted
The eligibility for the MUDRA loan is decided at bank branch level.	3.91	3.67	3.80	3.77	.523	.667	Accepted
.30The margin of the banks has decreased because of MUDRA loan.	3.22	3.10	2.94	3.45	1.648	.181	Accepted
MUDRA loans are wastage of money.	2.21	2.08	2.14	1.90	.745	.527	Accepted
MUDRA SHISHU scheme is joke to the borrowers.	2.24	2.28	2.08	1.87	1.231	.300	Accepted
MUDRA loan catering the needs of the Non Corporate Small business segment for bringing them in the mainstream of society.	3.83	3.92	3.93	3.77	.203	.894	Accepted
MUDRA scheme should be kept continue.	3.78	3.69	4.00	3.77	.790	.501	Accepted

(Source: Based on Primary Data, **5per cent level of significance)

The null hypothesis (H_0) is that there is no significant difference in Mean value of four groups based on State of respondents or there is no significant difference in the Banker's perception towards PMMY based on state of respondents. It is apparent that there is no significant difference between the Mean values of different groups at 5per cent significance level among all the thirty-five statements except only one statement. Therefore, it can be said that the bankers of all the States have very same perception towards PMMY. Hence, the Null hypothesis (H_0) has been accepted.

Only one statement has significant difference in the Mean value of different groups at 5per cent significance level ($F=3.871$; $p\text{-value}=.011$) i.e. some of the borrower offer bribes to pass the loan. Here the Mean value of bankers of Punjab and Haryana origin have been found comparatively more than the Mean value of bankers of Himachal and Jammu & Kashmir. Therefore, the Null hypothesis (H_0) has been rejected.

Table 4 (Annexure) disclose the results of ANOVA analysis to draw Banker's perception towards PMMY on the basis of three groups based on Banker's branch location i.e. urban, semi-urban or rural.

Table 4: Results of ANOVA Analysis on the basis of Respondents Branch Location (Independent Variable)

Statement	Mean Score			ANOVA		Hypothesis Result
	Urban 47	Semi-Urban 89	Rural 25	F	Sig.	
Documentation formalities are very less for MUDRA loan.	3.87	3.88	4.20	1.562	.213	Accepted
The terms and conditions of the loan are governed by the policies of the MUDRA.	4.02	3.95	4.16	.803	.450	Accepted
PMMY is fulfilling the objective to provide funding to the non- funded.	3.70	3.85	4.00	.959	.385	Accepted
The MUDRA loan is helpful for job creators and not job seekers.	3.70	3.68	3.80	.124	.884	Accepted
Amount given under MUDRA scheme is sufficient to start the business.	3.79	3.88	4.00	.436	.647	Accepted
MSMEs demand for loan is much more in comparison to Maximum loan sanctioned under MUDRA TARUN scheme.	3.66	3.54	3.60	.251	.779	Accepted
There is Lack of implementation and monitoring of MUDRA schemes.	3.28	3.15	2.68	2.461	.089	Accepted
Making compulsory for each bank branch to lend these loans will strength your bank/institutional capacity.	3.34	3.23	3.00	.779	.461	Accepted

This scheme is rebranding of earlier schemes as most of the funding is through diversion of similar schemes to MUDRA.	3.36	3.50	3.20	.871	.420	Accepted
This scheme focuses on weaker section of the society.	3.59	3.80	3.80	.651	.523	Accepted
Guarantor is mandatory for this type of loans.	2.30	2.44	2.08	.921	.400	Accepted
Other schemes failed to provide loan to most vulnerable and landless sections.	2.81	2.94	2.48	1.899	.153	Accepted
MUDRA acts as umbrella for all the MUDRA schemes.	4.28	3.53	3.92	1.432	.242	Accepted
Lack of credit facility to unorganized business sector has led government to devise MUDRA scheme to secure credits.	3.53	3.41	3.56	.360	.698	Accepted
Nonperforming assets of banks will increase due to MUDRA loan.	3.57	3.50	3.80	.712	.492	Accepted
MUDRA loan holders are repaying EMI regularly.	2.66	2.95	2.84	1.613	.203	Accepted
MUDRA scheme has created awareness and mass interest for self employment.	3.68	3.71	3.84	.303	.739	Accepted
The repayment terms are decided by the anticipated cash flow from the business activity.	3.64	3.61	3.36	.899	.409	Accepted
These loans are converting into Non –Performing Assets.	3.49	3.18	3.48	1.578	.210	Accepted
Some of the borrower offer bribes to pass the loan.	2.85	2.68	2.16	2.527	.083	Accepted
MUDRA loan Yojana is very good to start the start-ups.	3.79	3.99	4.20	2.566	.080	Accepted
MUDRA loan do not require any type of collateral security.	4.00	3.90	4.20	.812	.446	Accepted
There is a need to develop and expand the delivery channel at the ground level by MUDRA.	3.72	3.94	3.76	.991	.374	Accepted
MUDRA should acquire all the Cooperative and Regional Rural bank to make biggest MUDRA bank.	3.45	3.88	3.52	3.071	.049**	Rejected
The rate of interest is decided by the MUDRA.	2.74	3.22	3.08	2.641	.074	Accepted
The terms and conditions of the loans are governed by the policies of the lending institutions.	3.57	3.79	3.68	.806	.449	Accepted
MUDRA refinances the MUDRA loans given by your bank in reality.	3.32	3.13	3.28	.521	.595	Accepted
All the banks are very enthusiastic to give MUDRA loan.	3.00	3.02	3.52	2.345	.099	Accepted
Processing fee to process the MUDRA loan is same as of all other type of loans.	2.72	2.84	2.80	.167	.846	Accepted
The eligibility for the MUDRA loan is decided at bank branch level.	3.74	3.88	3.56	1.204	.303	Accepted
The margin of the banks has decreased because of MUDRA loan.	3.06	3.20	3.24	.393	.676	Accepted
MUDRA loans are wastage of money.	2.11	2.17	1.84	1.241	.292	Accepted
MUDRA SHISHU scheme is joke to the borrowers.	2.34	2.13	1.84	2.009	.138	Accepted
MUDRA loan catering the needs of the Non Corporate Small business segment for bringing them in the mainstream of society.	3.83	3.82	3.96	.273	.762	Accepted
MUDRA scheme should be kept continue.	3.68	3.89	3.72	.903	.407	Accepted

(Source: Based on Primary Data, , **5per cent level of significance)

The null hypothesis (H_0) is that there is no significant difference in the Banker's Perception towards PMMY based on branch location of the banker. Table 4 make it evident that there is no significant difference between the Mean value of three categories based on branch location at 5per cent level of significance except one statement

where significant difference has been found among the Mean value of three groups at 5per cent level of significance difference ($F=3.071$; $p\text{-value}=.049$) with regard to statement i.e. MUDRA should acquire all cooperative and regional rural bank to make biggest MUDRA bank. Therefore, Null hypothesis (H_0) has been rejected here because the

bankers of Semi-Urban area are relatively more agree with this statement in comparison to the bankers of urban and rural area. Why? It is a matter of further research. Otherwise, all the bankers of different location have very similar perception

towards PMMY.

Table 5 depicts the results of ANOVA analysis to draw Banker's perception towards PMMY on the basis of five groups based on MUDRA loan types.

Table 5: Results of ANOVA Analysis on the basis of Respondent Loan Type (Independent Variable)

Statement	Mean Score					ANOVA		Hypothesis
	SHISHU 23	KISHOR 12	TARUN 6	S&K 30	ALL 90	F	Sig.	Result
Documentation formalities are very less for MUDRA loan.	4.04	3.92	3.67	4.00	3.89	.345	.847	Accepted
The terms and conditions of the loan are governed by the policies of the MUDRA.	3.96	3.83	3.67	3.87	4.11	1.302	.272	Accepted
PMMY is fulfilling the objective to provide funding to the non- funded.	3.91	3.58	3.00	4.03	3.83	1.999	.097	Accepted
The MUDRA loan is helpful for job creators and not job seekers.	3.74	3.92	4.00	3.47	3.73	.687	.602	Accepted
Amount given under MUDRA scheme is sufficient to start the business.	4.13	3.00	4.17	3.67	3.97	4.202	.003*	Rejected
MSMEs demand for loan is much more in comparison to Maximum loan sanctioned under MUDRA TARUN scheme.	3.13	3.67	3.83	3.77	3.61	1.782	.135	Accepted
There is Lack of implementation and monitoring of MUDRA schemes.	3.04	3.16	3.50	3.23	3.05	.349	.844	Accepted
Making compulsory for each bank branch to lend these loans will strength your bank/institutional capacity.	3.26	3.58	4.33	3.07	3.15	2.141	.078	Accepted
This scheme is rebranding of earlier schemes as most of the funding is through diversion of similar schemes to MUDRA.	3.69	3.58	3.33	3.23	3.39	.695	.596	Accepted
This scheme focuses on weaker section of the society.	4.00	3.17	4.00	3.87	3.69	1.610	.175	Accepted
Guarantor is mandatory for this type of loans.	2.13	2.08	3.00	2.47	2.34	.855	.492	Accepted
Other schemes failed to provide loan to most vulnerable and landless sections.	2.86	2.58	3.50	2.73	2.84	.829	.508	Accepted
MUDRA acts as umbrella for all the MUDRA schemes.	3.61	3.67	3.83	3.60	3.94	.164	.957	Accepted
Lack of credit facility to unorganized business sector has led government to devise MUDRA scheme to secure credits.	3.48	3.50	4.00	3.30	3.49	.726	.576	Accepted
Nonperforming assets of banks will increase due to MUDRA loan.	3.61	3.50	3.33	3.70	3.54	.206	.935	Accepted

MUDRA loan holders are repaying EMI regularly.	2.91	2.50	2.67	3.03	2.83	.829	.509	Accepted
MUDRA scheme has created awareness and mass interest for self employment.	3.78	3.67	4.00	3.70	3.70	.216	.929	Accepted
The repayment terms are decided by the anticipated cash flow from the business activity.	3.65	3.08	4.00	3.50	3.62	1.426	.228	Accepted
These loans are converting into Non –Performing Assets.	3.30	3.50	3.17	3.30	3.31	.113	.978	Accepted
Some of the borrower offer bribes to pass the loan.	2.78	2.83	2.83	2.63	2.59	.205	.935	Accepted
MUDRA loan Yojana is very good to start the start-ups.	4.35	3.58	4.67	3.87	3.91	3.355	.011**	Rejected
MUDRA loan do not require any type of collateral security.	4.30	4.08	3.50	3.87	3.94	.995	.412	Accepted
There is a need to develop and expand the delivery channel at the ground level by MUDRA.	3.69	3.67	4.33	4.00	3.83	.867	.485	Accepted
MUDRA should acquire all the Cooperative and Regional Rural bank to make biggest MUDRA bank.	3.52	3.67	4.50	3.87	3.63	1.332	.261	Accepted
The rate of interest is decided by the MUDRA.	2.74	2.75	3.67	3.07	3.14	1.167	.328	Accepted
The terms and conditions of the loans are governed by the policies of the lending institutions.	3.65	4.00	3.83	3.87	3.62	.744	.564	Accepted
MUDRA refines the MUDRA loans given by your bank in reality.	3.43	3.41	3.00	3.27	3.12	.598	.665	Accepted
All the banks are very enthusiastic to give MUDRA loan.	2.95	2.91	3.00	3.20	3.122	.267	.899	Accepted
Processing fee to process the MUDRA loan is same as of all other type of loans.	2.96	2.58	3.17	2.57	2.84	.716	.582	Accepted
The eligibility for the MUDRA loan is decided at bank branch level.	3.96	3.83	2.83	3.67	3.84	2.032	.093	Accepted
The margin of the banks has decreased because of MUDRA loan.	3.22	3.17	3.67	3.27	3.09	.633	.640	Accepted
MUDRA loans are wastage of money.	2.04	2.50	1.67	2.20	2.05	1.057	.380	Accepted
MUDRA SHISHU scheme is joke to the borrowers.	2.13	2.92	2.17	2.23	2.02	2.162	.076	Accepted
MUDRA loan catering the needs of the Non Corporate Small business segment for bringing them in the mainstream of society.	4.13	3.17	4.00	3.83	3.85	2.739	.031**	Rejected
MUDRA scheme should be kept continue.	3.69	4.08	3.83	3.50	3.89	1.400	.236	Accepted

(Source: Based on Primary Data, *1per cent significance level, **5per cent significance level)

The null hypothesis (H₀₄) is that there is no significant difference in the Banker's Perception towards PMMY based on loan types (Shishu, Kishore and Tarun etc). Out of the total 35 statements, only three statements have been found with significant difference in Mean. A significant difference has been noticed at 1per cent significance level (F=4.202; p-value=.003) with regard to statement i.e. amount given under MUDRA scheme is sufficient to start the business. The lowest Mean has been found of Kishor loan type group and highest Mean has been found of Tarun loan type group. It shows that only Tarun loan scheme provide sufficient fund to support the business. Hence null hypothesis (H₀₄) has been rejected. Further, significant difference has also been established at 5per cent significance level (F=3.355; p-value=.011) regarding statement i.e. MUDRA loan Yojana is very good to start the

start-ups. Thus, null hypothesis (H₀₄) rejected. Bankers assume Shishu and Tarun loan are more decisive to start business activity but Kishor loan is not cherished by bankers. Significant difference has also been identified at 5per cent significance level (F=2.739; p-value=.031) about statement that MUDRA loan catering the needs of non-corporate small business segment for bringing them in the mainstream of society. Here bankers again assume that Tarun loan scheme is catering the need of non-corporate small businessmen. Therefore, null hypothesis (H₀₄) has been rejected.

Table 6 illustrates the results of one –way ANOVA analysis in which Mean values of three groups (public sector banks, Private sector banks, and RRB/Financial institutions) have been compared to assess Banker's perception towards PMMY.

Table 6: Results of ANOVA Analysis on the basis of Respondents' Type of Bank/Institution (Independent Variable)

Statement	Mean Score			ANOVA		Hypothesis Result
	PSU Banks 120	Private Banks 32	Other fin.int. 9	F	Sig.	
Documentation formalities are very less for MUDRA loan.	3.92	4.06	3.44	1.886	.155	Accepted
The terms and conditions of the loan are governed by the policies of the MUDRA.	4.06	3.94	3.55	2.257	.108	Accepted
PMMY is fulfilling the objective to provide funding to the non- funded.	3.79	4.00	3.78	.698	.499	Accepted
The MUDRA loan is helpful for job creators and not job seekers.	3.61	4.00	4.00	2.306	.103	Accepted
Amount given under MUDRA scheme is sufficient to start the business.	4.00	3.47	3.55	4.973	.008*	Rejected
MSMEs demand for loan is much more in comparison to Maximum loan sanctioned under MUDRA TARUN scheme.	3.53	3.72	3.78	.683	.506	Accepted
There is Lack of implementation and monitoring of MUDRA schemes.	2.97	3.59	3.33	4.335	.015**	Rejected
Making compulsory for each bank branch to lend these loans will strength your bank/institutional capacity.	3.05	3.87	3.33	7.711	.001*	Rejected
This scheme is rebranding of earlier schemes as most of the funding is through diversion of similar schemes to MUDRA.	3.56	3.53	3.78	.864	.424	Accepted
This scheme focuses on weaker section of the society.	3.59	4.22	4.00	5.344	.006*	Rejected
Guarantor is mandatory for this type of loans.	2.15	2.97	2.67	6.741	.002*	Rejected
Other schemes failed to provide loan to most vulnerable and landless sections.	2.76	3.19	2.55	2.429	.091	Accepted
MUDRA acts as umbrella for all the MUDRA schemes.	3.84	3.94	2.89	.667	.515	Accepted

Lack of credit facility to unorganized business sector has led government to devise MUDRA scheme to secure credits.	3.47	3.44	3.55	.057	.945	Accepted
Nonperforming assets of banks will increase due to MUDRA loan.	3.62	3.50	3.22	.633	.532	Accepted
MUDRA loan holders are repaying EMI regularly.	2.70	3.12	3.22	6.896	.001*	Rejected
MUDRA scheme has created awareness and mass interest for self employment.	3.65	4.00	3.67	2.177	.117	Accepted
The repayment terms are decided by the anticipated cash flow from the business activity.	3.55	3.69	3.55	.300	.741	Accepted
These loans are converting into Non –Performing Assets.	3.32	3.41	3.00	.483	.618	Accepted
Some of the borrower offer bribes to pass the loan.	2.61	2.72	3.00	.449	.639	Accepted
MUDRA loan Yojana is very good to start the start-ups.	3.94	4.06	4.00	.275	.760	Accepted
MUDRA loan do not require any type of collateral security.	4.02	3.84	3.89	.369	.692	Accepted
There is a need to develop and expand the delivery channel at the ground level by MUDRA.	3.82	4.00	3.67	.622	.538	Accepted
MUDRA should acquire all the Cooperative and Regional Rural bank to make biggest MUDRA bank.	3.60	4.09	3.55	2.954	.055	Accepted
The rate of interest is decided by the MUDRA.	2.90	3.69	3.00	6.091	.003*	Rejected
The terms and conditions of the loans are governed by the policies of the lending institutions.	3.63	3.91	4.00	1.558	.214	Accepted
MUDRA refines the MUDRA loans given by your bank in reality.	3.17	3.19	3.78	1.362	.259	Accepted
All the banks are very enthusiastic to give MUDRA loan.	3.09	3.16	2.89	.212	.809	Accepted
Processing fee to process the MUDRA loan is same as of all other type of loans.	2.77	3.03	2.44	1.151	.319	Accepted
The eligibility for the MUDRA loan is decided at bank branch level.	3.85	3.62	3.55	1.036	.357	Accepted
The margin of the banks has decreased because of MUDRA loan.	3.15	3.19	3.33	.156	.855	Accepted
MUDRA loans are wastage of money.	2.09	2.16	2.00	.116	.891	Accepted
MUDRA SHISHU scheme is joke to the borrowers.	2.09	2.37	2.11	.981	.377	Accepted
MUDRA loan catering the needs of the Non Corporate Small business segment for bringing them in the mainstream of society.	3.88	3.72	3.78	.502	.606	Accepted
MUDRA scheme should be kept continue.	3.75	4.03	3.67	1.305	.274	Accepted

(Source: Based on Primary Data, *1per cent level of significance,**5per cent level of significance)

Here, Null hypothesis (H_0) is that there is no significant difference in the banker's perception towards PMMY based on type of banks. Significant difference has been seen at 1per cent significance level ($F=4.973$; $p\text{-value}=0.008$) with regards to the statement that amount given under MUDRA scheme is sufficient to start the business. Here, the bankers of public sectors banks are relatively more agreed with the statement in comparison to the bankers of private sector banks. Similarly, significant difference has been observed at 5per cent significance level ($F=4.335$; $p\text{-}$

$\text{value}=0.015$) with reference to statement that there is lack of implementation and monitoring of MUDRA schemes. Here, Bankers of private sector banks are agreed, whereas the bankers of public sector banks have shown neutral response because they belong to the public sector banks. Equally significant difference has been acknowledged at 1per cent significance level ($F=7.711$; $p\text{-value}=0.001$) with germane to the statement that making compulsory for each bank branch to lend these loans will strength your bank/institutional capacity. Again, private sector bankers have been

found relatively more agreed. In a similar manner, significant difference has been observed at 1per cent significance level ($F=5.344$; $p\text{-value}=.006$) regarding statement that this scheme focuses on weaker section of the society. In this case, public sector bankers have been found more agreed than private sector bankers. In the same way significant difference has been surfaced at 1per cent significance level ($F=6.741$; $p\text{-value}=.002$) with regard to statement that guarantor is mandatory for this type of loans. Here, bankers of all banks have been found disagreed with the statement, though private sector bankers were also less disagree because they demand the guarantor from the borrowers, otherwise they do not entertain the borrowers. Significant difference has been seen in the Mean value of different banks types at 1per cent significance level ($F=6.896$; $p\text{-value}=.001$) in relation to statement that MUDRA loan holders are repaying EMI regularly. It is observed that private sector bank borrowers are paying EMI regularly because borrowers generally produce guarantor for approval of MUDRA loan. Whereas, public sector banks borrowers are highly undisciplined. Significant difference has also been seen at 1per cent significance level ($F=6.091$; $p\text{-value}=.003$) apropos to the statement that rate of interest is decided by the MUDRA. Private sector bankers are agreed while public sector bankers are neutral. That is why null hypothesis (H_0) is rejected.

DISCUSSION

Based on statistical techniques, it has been proved that MUDRA scheme require very less documentation formalities. The terms and conditions of the loan are governed by the policies of the MUDRA. This scheme is fulfilling the objective to provide funding to the non- funded. Therefore, it is helpful for job creators and not job seekers of weaker section of the society that's why and it has created awareness and mass interest for self-employment among weaker section and unemployed. But the amount given under Shishu and Kishor scheme is not sufficient to start the business, while the amount given under Tarun scheme has been found sufficient to start the business. Though, MSMEs demand for loan is much more in comparison to Maximum loan sanctioned under MUDRA TARUN scheme. The bankers with CA/CS/MBA qualification found that there is lack of implementation and monitoring process for MUDRA schemes. All the bankers are

agreed with the statement that if this scheme is made compulsory for each bank branch, it will strength their banks/institutional capacity. The Post graduate and CA/CS/MBA degree holder banker assume that this scheme is a rebranding of earlier schemes as most of the funding has been done through diversion of similar schemes to MUDRA.

All the bankers accept that Guarantor is not mandatory for this type of loans. Although, the bankers of private sector banks have practice of having guarantors for this scheme. The bankers are not ready to accept that other schemes failed to provide loan to most vulnerable and landless sections that why this scheme has been launched by the Prime Minister. But they accept that there was lack of credit facility to unorganized business sector. Here the point of worry is that most of the bankers of public and private sector banks assume that nonperforming assets of banks will increase due to MUDRA loan and MUDRA loan holders from public sector bankers are not repaying EMI regularly.

Currently, these loans are converting into Non – Performing Assets but no banker is ready accept this truth publicly. It has been also found that some of the borrower offer bribes to the bankers to sanction the loan. All the bankers strongly agree that MUDRA loan Yojana is very good to start the start-ups through Tarun scheme. All the banks are not very enthusiastic to give MUDRA loan because they think that there is a need to develop and expand the delivery channel at the ground level by MUDRA for which MUDRA should acquire all the Cooperative and Regional Rural bank to make biggest MUDRA bank. That's why, the bankers are fully disagree with the statement that MUDRA loans are wastage of money and MUDRA Shishu scheme is joke to the borrowers. They are agreeing that MUDRA loan catering the needs of the Non Corporate Small business segment for bringing them in the mainstream of society. Therefore, this scheme should be kept continue.

CONCLUSION

This scheme should be kept continue to fulfilling the objective to provide funding to the non- funded provided the amount given under Shishu and Kishor scheme is increased to respectable level. The implementation and monitoring process of the scheme should be improved so that the level of increasing nonperforming assets of banks can be kept under control. Currently, the irony of the

system is that banker are not ready to accept publicly that MUDRA loans are converting into non-performing assets.

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