

## Mudra Loan and Growth Path of Micro Small and Medium Enterprises in India

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### Abstract

The primary goal of this study is to ascertain the significant effects of Mudra Loan on Micro, Small, and Medium Enterprises (MSME). The majority of those operating small businesses lacked education, maintained improper books of accounts, and failed to follow other legal requirements. Therefore, the banks found it challenging to extend credit to such individuals for business growth and other development endeavours. Therefore, these people looked to the unorganised banking sector for credit loans and other credit facilities, which came with strict terms and conditions and a high rate of interest. MUDRA appears to be the most advantageous option for small borrowers who have trouble getting loans from other commercial institutions to fill this gap. If a person wishes to work for themselves and start their own business, the idea of a small business will drive them to establish a new business or industry. These MSMEs significantly contribute to giving local or rural residents job options. When more people choose to work for themselves, both the GDP and per-capita income will rise. Recent statistics indicate that MSMEs provide 49% of all exports from India, which suggests that they are expanding. The objective of this paper is to examine the development and effectiveness of micro, small, and medium businesses in industrial estates. The government is offering and promoting a number of plans and programmes to aid in the development of MSMEs. The different issues that these MSMEs confront when carrying out their activities have also been explored in this study. The research paper is based on secondary sources that was gathered from several websites journal and articles. After conducting a review of the literature, it is possible to analyse the role played by MUDRA in promoting financial requirements for the agricultural and related sectors, SMEs/MSE, and MSME in order to build a \$5 trillion economy.

**Keywords:** MUDRA, Employment, Growth, Economic development, GDP, MSMEs.

### Introduction

As a financial endeavour to assist the nation's MSMEs, the Government of India introduced the MUDRA Loan Programme. It was implemented in April 2015 with the intention of boosting MSMEs' growth and supporting entrepreneurship, both of which are crucial for promoting economic growth and job creation. Mahajan, Y. (2019) Small borrowers are greatly benefited by the mudra scheme's loan subsidies and pledges to give loans easily, at an affordable interest rate, and with little hassles. Mukherjee, S. (2018). The major goal of mudra yojna is to sponsorship the small and medium business sector, which is classified as non-corporate. "Fund for Unfunded" is the scheme's primary tagline. In this essay, the author tries to comprehend how the Mudra loan is assisting MSMEs in Karnataka in growing. Sharma, K. R. S. (2022).

The rise of the Indian economy has been significantly aided by MSMEs in that country. By creating jobs and industrialising these regions, MSMEs contribute to balance out the country's uneven income distribution. Mayya, S. (2022). The State Government is primarily in charge of promoting and developing MSMEs, and the Central Government supports their efforts in this regard. The State Government is primarily in charge of promoting and developing these MSMEs, but the Central Government also supports the State Government through a variety of its initiatives. Agarwal, P., & Rawat, D. (2023). It has a huge opportunity to industrialise its economy and raise its share of the GDP of the country. The Ministry of MSMEs' programmes and initiatives, along with those of other organisations, seek to provide amenities

like adequate bank and financial institution credit flow, assistance with technology modernization and upgrade, integrated infrastructure facilities, contemporary testing facilities, and quality certification. Bindal, A., & Singh, R. R. (2019). Access to contemporary management techniques, developing entrepreneurship and upgrading skills through suitable training services to support for invention and growth, package design, artisan welfare, and workers' rights, assistance in gaining better access to local and international markets, as well as cluster-based policies that support collective empowerment and capacity building for the units. Jamwal, B. (2017).

### **Literature Review**

Future mudra card usage can be increased, and women entrepreneurs should receive more support to overcome the obstacles they currently encounter. Agrawal, M. (2017). In the first phases, Mudra as a financial tool is quite successful across the nation. (2016) Anupkumar. The MSME can now help entrepreneurs by providing them with funding, raw material assistance, and low interest rates through MSME funds, but the biggest obstacle is the market, where competition and dependable manpower support are crucial and are playing a crucial role across the nation. (2016) Shibakalyan. The absence of market information, poor electricity and water supplies, poor financing facilities, and outdated technology all work against SSI's ability to compete. M. R. Nayana, 2004 examined the issues and potential solutions related to the industry's response to seasonal variations in terms of productivity and profitability. Manish Bansal and Harpreet Singh (2013). By posing several questions to MSMEs Sudan, obstacles in MSMEs development and policy issues have been raised. F.K, (2005). If these businesses are successfully created, they may be able to reduce widespread unemployment, improve the standard of living for those who are low-income, and therefore lessen regional development disparities. L. Prasad (1983).

In the Journal of Banking, Finance and Insurance Management, C. Vijai (2018) published an article titled "A Study on the Performance of MUDRA Yojana in Tamilnadu." The opportunity, advantages, and performance of PMMY in India, notably in Tamilnadu, are discussed in the study. According to the author, this most current strategy helps India's tiny and microbusinesses. This plan has been modified to only target business owners. The author has also seen that this programme has improved the lives of those working in small businesses, which will help the economy as a whole move forward.

The authors of a research paper titled entitled Role of Agriculture in Making India \$5 Trillion Economy under Corona Pandemic Circumstance, Anil Kumar Singh, At. El (2020), noted that despite agriculture's contribution to the Indian economy, which is the second largest after China at nearly \$400 billion, India is still having difficulty reaching the level of \$5 trillion economies. They also predicted that India's economy will reach \$5 trillion by 2026–2027, but not earlier than 2026.

In their article titled "Case Study of PMMY Scheme in Karnataka," Gurudatt Raikar and Mallikarjun Naik (2021) expressed the opinion that small businesses and start-ups are essential to increasing the standard of living in India, especially in rural areas. They have identified MUDRA-related small businesses in this study and show how MUDRA has improved their performance over the last three years in Karnataka. This research comes to the conclusion that the "Make in India" initiative has greatly aided the expansion of MSMEs in Karnataka. The young, educated, and skilled workers' confidence to join the first generation of businesses and become entrepreneurs has greatly increased as a result. Small firms that already exist have grown and performed better.

### **Objective of the Study**

1. To understand the Mudra loan and how it functions.
2. To investigate how Mudra Loans affect the expansion of MSMEs in order to generate job possibilities.
3. To assess the loans granted to small business units under various MUDRA products.
4. To comprehend the numerous policies the government is implementing to improve its value to MSME.

### **Research Methodology**

The secondary data used to create this conceptual paper came from journals, publications, magazines, and Mudra yearly reports. Additionally, tables have been used to represent data. The study paper's foundation is secondary information, which was acquired from a number of websites and journal papers. Following a review of the literature, a potential

analysis of the MUDRA's function in boosting MSME, SMEs/MSE, and allied agricultural sector funding requirements using an ABCD listing framework is made possible.

### **Need for the Study**

The researcher needs to be aware of the development and effectiveness of MSMEs with Mudra financial help. The MSMEs play a critical role in creating employment possibilities and in giving people who want to launch a small industry a platform. Therefore, this study attempts to understand the significance of MSMEs in the financial growth of a country as well as the significance of Mudra loans to the expansion of MSMEs. Socrates, K., & BV, G. (2020). It is also critical to increase public awareness of the many mudra services, such as Shishu, Kishor, and Tarun, that can help businesses at various phases of development as well as institutional financing. Saikia, A. (2018). It provides a thorough overview of the Pradhan Mantri Mudra Yojana, which comprises a number of products such microcredit programmes for bank credit guarantee financing and a business correspondent model for financing Mudra loans. Through this study, borrowers who belong to women's self-help groups can access Mudra Loans with lower interest rates, providing financial support for the advancement of women's emancipation. Veeravel, V., & Natarajan, P. (2018).

### **Scope of the Study**

The study's focus includes the expansion of MSME and SME in related service sector, women's empowerment, and the formation of self-help organisations using various Mudra products to promote national economic development. Dhokare, C. S. (2020). It includes the accomplishments of Bank linkage activities for self-help groups thanks to financial support for the Mudra plan. The PMMY, created by the Indian government, is the major topic of this article. Kaur, G. (2019).

### **Result and Analysis**

#### **Market size of MSME in India**

In one year (2021-2022), more than 60 SMEs are anticipated to enter the market on the BSE SME (small and medium enterprises) platform to get equity financing to support their operational needs. 16 SMEs entered the market through initial public offerings (IPOs) and raised Rs. 100 crore (US\$ 13.74 million) in 2020. To promote listing among small enterprises and start-ups, the Bombay Stock Exchange (BSE) announced in June 2021 that it has partnered with the Electronics and Computer Software Export Promotion Council (ESC).

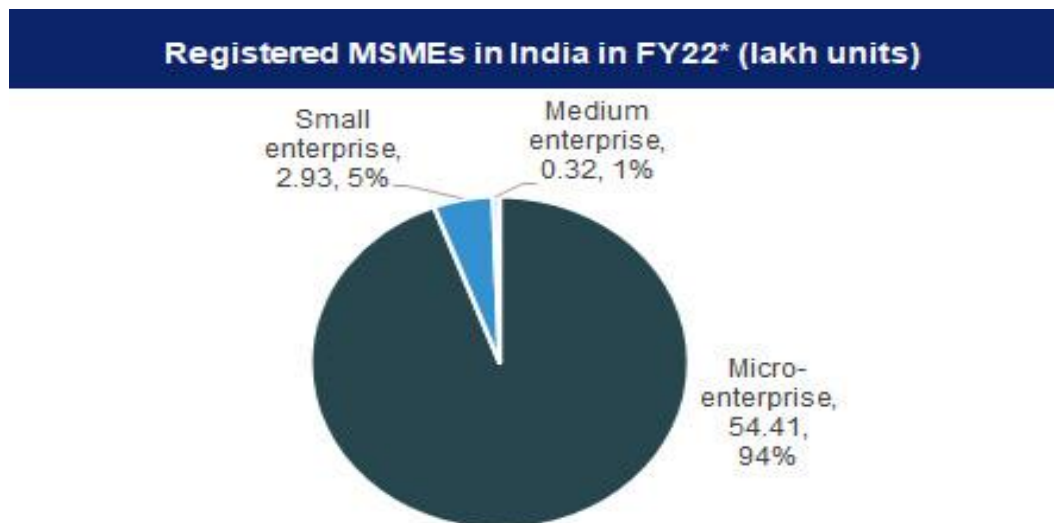
The Government e-Marketplace (GeM), which is owned and operated by the government and where Ministries and PSUs (public sector undertakings) receive their purchase, is one of the e-commerce platforms where MSMEs are encouraged to promote their goods.

Through November 2022, the GeM website, which serves 62,247 buyer groups, has received 12.28 million orders totaling Rs. 334,933 crores (\$40.97 billion) from 5.44 million registered suppliers and service providers.

As of February 22nd, 2023, the Udyam Registration portal had registered 14,392,652 MSMEs, replacing the previous procedure of filing an Udyog Aadhaar Memorandum (UAM), according to information from the Ministry of Micro, Small & Medium Enterprises. Micro-enterprises made up 13,834,411 (96.12) of all registered businesses, followed by small (446,980, or 3.11%) and mid-sized businesses (40,400, or 0.28%) businesses.

To guarantee that the appropriate level of liquidity is maintained in business operations, the government and banking institutions must significantly increase the amount of money accessible to domestic enterprises in the form of favourable working capital loans.

In India, MSMEs (Micro, Small, and Medium-Sized Enterprises) are rapidly moving away from cash payments in favour of digital ones, with 72% of payments now being made digitally compared to 28% in cash. The increase in internet usage offers opportunities for industry expansion.



Source: <https://www.ibef.org/industry/msme>

**Micro, Small and Medium Enterprises for Manufacturing and Service Sector**

**Table 1 MSME for Manufacturing and Service Sector**

Classification	Manufacturing Enterprises (Investment limit in Plant and Machinery)	Service Enterprises (Investment limit in equipment)
Micro	Rs.2.5 million / Rs.25 lakh	Rs.1 million / Rs.10 lakh
Small	Rs.50 million / Rs.5 crore	Rs.20 million / Rs.2 crore
Medium	Rs.100 million / Rs.10 crore	Rs.50 million / Rs.5 crore

**Benefaction of MSMEs in total GDP of the country:**

The MSME manufacturing industry had a gross value of 11,98,818 crore in 2006–07, which rose to 18,09,976 crore in 2011–12, a difference of 611,158 crore. If we look at the manufacturing sector's share of the nation's overall GDP, it hovers around 7% and, on average, between the years of 2006–07 and 2012–13, it has contributed an average of 7.45%. In comparison, the contribution of the services industry to the MSMEs category is a respectable 28.96%. The combined GDP contribution of the MSME Manufacturing and Services sectors is 36.41%. This excellent figure ought to spur entrepreneurs and policymakers to take action to hasten the expansion of this industry. De, N., & Mondal, T. (2018).

**The Rationale for MSMEs**

- **Entrepreneurship:** It results in the formation of small-scale industries because of their educational background. Education is sometimes needed to start a business, but there are other instances where an educated person finds himself underemployed or unemployed. As a result, they find themselves in a situation where they must start a business in order to support themselves. Workers in one business collectively become owners of that industry. Employees who became entrepreneurs.
- **Employment:** The proprietors of the industries have paved the way for the creation of jobs. They have created job chances for locals who lost their positions at the company, and many unemployed individuals have found work as a result of the establishment of industries in industrial parks.
- **Type of business:** The majority of industries are set up as sole proprietorships, however some are also partnership firms. If two or more individuals share the same knowledge about anything or a field, it will result in the creation of a new business, and some unemployed employees of the company have established their own industry to create jobs for locals.

- **Industry growth:** Investment and profit are two ways to quantify industry growth. As a result, despite numerous factors, these industries are expanding but not more quickly. The usage of used equipment and issues affecting these industries are the main drivers of MSMEs' upward growth trends, and they are the reasons behind this.
- **Issues facing industries:** The majority of industries use used equipment, which raises depreciation costs and reduces the machines' output capability. These elements have an indirect impact on industry growth. The delay in preparing the books of accounts is another issue. They take a very long time to prepare the accounting, which indicates that some of them are disorganised. The preparation of accounts took longer than expected, making it harder to measure the industry for a subsequent year.
- **Industry sizes:** 60% of all sectors are small businesses, suggesting that these businesses began with modest investments in machinery, plant, and, in the case of services, equipment. It can be because there wasn't enough money available to launch the industries.

### MUDRA and Small Business Finance

MUDRA aims to boost the nation's small business sector so that more people can work for themselves and raise the GDP of the country. With financing requirements up to 10 lakh depending on the company categories, MUDRA will benefit small manufacturing units, fruit and vegetable sellers, shop owners, beauty parlours, hair salons, truck operators, hawkers, and artists in rural and urban areas. (Kishore, Shishu, and Tarun). Mahajan, Y. (2020). Entrepreneurs or business units should contact their local authorised MFIs or NBFCs with their business plans in order to obtain a loan under the MUDRA Yojana. Entrepreneurs/Business Units who have been approved for a loan from the MUDRA Yojana will receive a MUDRA Card, which functions similarly to a credit card and can be used to make purchases like those of industry raw materials, etc. Mittal, V., & Raman, T. V. (2021). The maximum amount that can be charged on the Card is 10,000, or 10% of the loan amount. Numerous small business owners have benefited from the finance the programme provides since its beginning. 27 public sector banks, 17 private sector banks, 31 rural regional banks, 4 cooperative banks, 36 microfinance institutions, and 25 nonbank financial institutions have all been chosen to allow the disbursement of this loan at this time. According to this programme, Shishu will give 60% of the loans, with Kishore and Tarun covering the remaining 40%. Antony, J. (2021).

### Distribution of MSMEs in Rural and Urban Areas

Table 2 Distribution of MSMEs in Rural and Urban Areas

Sector	Micro	Small	Medium	Total	% Share
RURAL	324.09	0.78	0.01	324.88	51
URBAN	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

Source: MSME Annual Report 2020-21

The economy will grow as MSMEs are established in both urban and rural areas. Table shows the distribution of MSME businesses by percentage of share in the rural and urban areas. The micro sector distribution is high, at Rs. 324.09 lakhs, and is Rs. 306.43 lakhs for metropolitan areas. Small and medium-sized businesses only make up a very small portion.

### Operational Mechanism of Mudra Yojna

MUDRA loans are provided by a variety of financial organisations, including banks, non-banking financial companies (NBFCs), and microfinance organisations. Based on the stage of development of the business, these loans are divided into three groups:

Mudra Bank has split the borrowers under the PMMY system into three categories: initial finance seekers, intermediate finance seekers, and next level growth seekers. Mudra loans are broken down into three categories based on their size: "Shishu" (loans under Rs. 50,000 at 12% interest rate per annum with a 5-year repayment period), "Kishor" (loans between Rs. 50,000 and 500000), and "Tarun" (loans between Rs. 500000 and Rs. 1000000). Nair, T., & Das, K. (2019).

**Table 3 Operational Mechanism of Mudra Yojna**

Scheme	Loan amount	Rate of Interest (per annum)	Repayment duration
Shishu	50,000	12%	5 years
Kishor	50,000- 5,00,000	14%	Depends on banks
Tarun	5,00,000-10,00,000	16%	Depends on banks

**Shishu:** This category of loans is for persons who desire to launch their own small businesses. Minimal start-up businesses with proprietors who just require a minimal amount of startup cash are the focus of this type of loans. When applying for this loan, borrowers are required to provide their business plan.

**Kishor:** This loan category is for persons who need mid-stage financing or who want to expand and upgrade the technological aspects of their firm. Small enterprises that have already launched their operations are the target audience for this category, which aims to help them solidify their foundation. Borrowers are required to complete an application form and provide supporting documentation to demonstrate their business's current state.

**Tarun:** For individuals who want to establish up sizable automation businesses, there is Tarun. The greatest loan amount available to a sole proprietor or small business is offered by this form of loan. Banks are the ones who give Mudra loans; nevertheless, the conditions for Shishu loan disbursement are the similar for all banks, while those for Kishore and Tarun loans are bank-specific.

#### State wise performance of PMMY

**Table 4 State wise performance of PMMY**

Financial Year	No. of PMMY loans accounts	Amount Sanctioned (in crore)	Amount Disbursed (in crore)
2015-16	34880924	137449	132954
2016-17	39701047	180528	175312
2017-18	48130593	253677	246437
2018-19	59870318	321722	311811
2019-20	62247606	337495	329715
2020-21	50735046	321759	311754
2021-22	53795526	339110	331402

Source: PMMY annual Report 2015-16 to 2021-22.

The growth trajectory of MSMEs in India has been significantly impacted by the MUDRA financing programme. Here are some important things to think about:

- **Access to Finance:** MUDRA loans have improved MSMEs' access to financing, particularly for those in rural and underserved areas where traditional banking services may be scarce. This has made it possible for many entrepreneurs to turn their ideas into profitable businesses and stimulate the economy.
- **Business development:** The MUDRA financing programme has helped current MSMEs with their development aspirations. These businesses may upgrade their technology, buy new machines, invest in infrastructure, and boost their production capacity with enough funding. Increased employment possibilities and economic growth follow from this.
- **Employment Creation:** MSMEs play a vital role in India's employment creation. The government has helped these businesses flourish by giving financial support through MUDRA loans, which has created job prospects in a variety of industries and geographical areas of the nation.
- **Inclusive Growth:** By meeting the financial needs of female entrepreneurs, members of marginalised groups, and workers in the unorganised sector, MUDRA loans have significantly contributed to the promotion of inclusive growth. As a result, income disparities have decreased and social and economic empowerment have been encouraged.
- **Sectoral Development:** The MUDRA financing programme has also promoted the expansion of several industries, including manufacturing, trade, services, and agriculture. The government intends to increase productivity,

competitiveness, and overall sectoral development by giving targeted financial support to businesses that operate in these sectors.

It's crucial to remember, though, that while Mudra loans have had benefits, there have also been drawbacks. Concerns include the requirement for efficient credit evaluation, prompt loan distribution, and the necessity for loan beneficiaries to have sufficient financial literacy and company growth support. Singh, H., & Singh, K. N. (2023).

Overall, the Mudra loan programme has significantly contributed to the expansion of MSMEs in India by making credit more readily available and encouraging entrepreneurship. It has aided in the expansion of several sectors of the economy and the generation of jobs. Vidyarani, K., & Maheshkumar, T. (2022).

### Achievements of SHG-Bank Linkage Programme

MUDRA serves as the "Last Mile Financiers" of small businesses. The Udyamimitra platform accepts loan applications from women borrowers. In rural and urban areas, respectively, there are 53% and 53.8% of female participants, according to the NSSO survey. In order to improve the entrepreneurship skills of rural women, self-help groups (SHG) get together a small group of women to make set monetary contributions. Gautam, N. (2022). The SHG movement in India started in the 1980s with the help of a number of non-governmental organisations that helped to organise rural women's communities and with the aid of a bank linking programme run by The National Bank for Agriculture and Rural Development. Mamanshetty, S. V. (2021). The goal of this programme was to help rural communities become socioeconomically independent, or Atmanirbhar. PMMY is a microfinance opportunity for all women-led small-scale industrial units in the rural and urban areas to make SHG economic empowerment, with the aim of increasing the participation of women in the entrepreneurial ecosystem. Ranjan, R. (2021).

**Table 5 SHG-Bank Linkage Programme**

Particulars	Physical (No. in Lakhs)	Financial in Crore
Total No of SHG's Saving linked with Bank	112.23	37477.61
Total number of SHGs (credit linked)	28.87	58070.68
Total number of SHGs (loan O/S)	57.80	103289.71
Average loan amount O/S	-----	--- 1786.94
Joint Liability Group promoted(JLGS)	41.27	-----
Loan disbursed to Joint liability groups	-----	58311.78
Total Women SHGs	97.25	32686.08
Credit liked during SHGs Women	25.90	54423.13
Loan O/S	53.11	96596.60

Source: NABARD- Micro Credit Innovations Department

### MUDRA -Institution wise performance

The total amount of sanctions imposed under PMMY in FY20 was Rs. 3.37 lakh crore (US\$ 46 billion), exceeding the aim of Rs. 3.25 lakh crore (US\$ 44 billion) and helping 6.22 crore people. PMMY sanctions applied to 42 million loans, or Rs. 2.7 lakh crore (\$37 billion), in FY21.

PMMY sanctioned 94% of the loans for micro and small businesses (MSEs) as of FY21, which runs through February 2021. A total of 2.24 crore (US\$ 303.44 million) of the 2.38 lakh crore (about US\$ 32 billion) in loans to 3.68 crore accounts in FY21 were disbursed in the first 11 months of the fiscal year.

In FY20, the overall output of the plan—which was sanctioned by all lending institutions—was Rs. 3.37 lakh crore (US\$ 46 billion), up 5% YoY from the sanction amount of Rs. 3.21 lakh crore (US\$ 43 billion) in FY19. In addition, while private sector banks recorded a 43% YoY increase in sanctions, public sector banks only reported a 0.4% YoY increase.

The biggest market share among public sector banks was held by State Bank of India (SBI), with sanctions totaling almost \$4 billion (Rs. 35,125 crore). Canara Bank ranked in third with US\$1.29 billion (Rs. 9,489 crore), followed by Bank of Baroda in second with sanctions totaling US\$1.39 billion (Rs. 10,282 crore).

**Table 6 MUDRA -Institution wise performance**

Category	Target (2020-2021)	Sanction Amt. (2020-2021)	Sanction Amt. (2019-20)	Growth
Public Sector Bank	1,28,500	1,29,915 (101%)	1,17,729	10%
Private Sector Banks (incl. Foreign Banks)	91,700	93,613.20 (102%)	91,780	2%
SFB (Small Finance Banks)	29,800	19,646.68 (66%)	29,501	(33%)
MFI (Micro Finance Institutions)	59,200	46,601.40 (79%)	57,967	(20%)
NBFCs (Non-Banking Finance Companies)	40,800	31,983.17 (78%)	40,518	(21%)
<b>TOTAL</b>	<b>3,50,000</b>	<b>3,21,759 (92%)</b>	<b>3,37,495</b>	<b>(5%)</b>

**Source: MUDRA Annual Report 2020-2021**

### Discussion

The introduction of GST and demonetization, there is a significant formalisation of MSMEs' enterprises nationwide. This is producing a sizable financial information database of MSMEs' working capital needs. Bindal, A., & Singh, R. R. (2022). Recognising the importance of MSMEs in fostering economic activity and creating jobs, the government offered tax breaks to MSMEs in the previous budget to help them become more viable. For businesses with annual revenues up to 50 crore rupees, the tax was decreased to 25%. 96% of all businesses that filed tax returns, or more than 6,67,000 entities, are thought to have benefited from this. According to Finance Minister, who made the statement, "This will profit the complete class of micro, small, and medium enterprises," which make up about 99% of the businesses that file tax returns. Sahoo, B. B., & Swain, K. C. (2020). He also estimated that the revenue lost for 2018–19 will be worth Rs 7000 crore. According to the government, around 30 million institutions in India's informal economy, with MSMEs accounting for 32% of all businesses. According to Finance Minister, tax cuts will provide businesses more investable surplus, which will result in more employment being created. Following this, among the approximately 7 lakh companies filing reports, approximately 7000 enterprises that file income returns and have a revenue of more than Rs. 250 crore would continue to fall under the 30% slab, according to finance minister. According to finance minister, the government would also reveal plans for dealing with the problems caused by strained MSMEs' accounts and nonperforming assets. Sarngadharan, M. (2020).

### Conclusion

Therefore, we can infer that small firms, which serve as the cornerstone of economic growth, require strengthening and assistance. A lot of the ideas that have been put into action over the past few years are a good start. MUDRA Yojana is the most recent initiative to support Indian small and microbusinesses. This programme has been tailored to target just business owners. The success of the economy as a whole will be positively influenced by this kind of plan since it will improve the quality of life for those working in small-scale industries. In its early phases, MUDRA is widely recognised as an extremely effective financial tool. This will unquestionably change drastically and contribute to the development of India.

Small finance banks and microfinance organisations should do more to support the rural population's efforts to reestablish themselves. More financial awareness of mudra loans needs to be generated in both rural and urban regions, coupled with SME/MSMEs and agricultural partnerships with digital technologies. Shishu, Kishor, and Tarun's maximum sealing must be increased by MUDRA due to the interest rate's non-uniform, non-fixed nature. There is a



shortage of information on refinancing for agricultural and related businesses and new jobs, but MUDRA is a game-changer for funding micro and small businesses in the long run.

In order for small businesses to contribute in majority economic activities and directly donate to the Indian economy, the Government of India established the MUDRA scheme. Thanks to MUDRA loans, some things have changed and it is now simpler for small businesses to obtain financing. The expansion of Micro, Small, and Medium Enterprises (MSMEs) in India is now being accelerated by a variety of initiatives made by the Indian government. The market for local and indigenous items will grow if the MUDRA scheme is successful in the future. The MSME industry in India is expanding quickly and even giving large numbers of people job possibilities. The establishment of MSMEs and entrepreneurs' suitable guidance for launching their enterprises is made possible by the important contribution of the industrial and service sectors of MSMEs to the overall GDP of the country.

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