

IMPACT ASSESSMENT OF MUDRA SCHEME IN MICRO AND SMALL INDUSTRIES SECTOR OF COIMBATORE:

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Abstract

Government of India launched Micro Units Development and Refinancing Agency known as MUDRA in 2015 for providing institutional financial support to micro and small enterprises. The primary objective of MUDRA is to fund the unfunded. The paper has examined the overall performance of MUDRA scheme during FY 2016-17, identified the awareness regarding MUDRA and assessed the impact of MUDRA on beneficiaries at Coimbatore. The primary data for the study was collected using structured questionnaire, informal interviews and secondary data were also collected from office bearers of Coimbatore Tirupur District Micro and Cottage Entrepreneurs Association (COTMA) and MUDRA annual report FY 2016-17. The study has revealed that there was an increase in overall performance of the scheme by 31% and 89% of MUDRA sanctions were made to women entrepreneurs and new account holders. The study has identified effective methods to improve awareness of the scheme as advertisements through banks and television. The impact study of MUDRA on beneficiaries at Coimbatore revealed that impact has been positive on employment generation and improvement in standard of living whereas not effective on women empowerment.

Keywords:

MUDRA;
Employment generation;
Financial support;
Women empowerment.

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**** Classification of Micro, Small and Medium enterprises according to MSMED Act, 2006

	Manufacturing Enterprises	Service Enterprises
	Investment in plant & machinery	Investment in equipment
Micro	Upto 25 Lakhs	Upto 10 Lakhs

1. Introduction:

The Micro, Small and Medium Enterprises (MSME) sector is the pillar of the economic structure in India. There are 36.1 million units spread across the country that contributes 6.11% of the manufacturing GDP, 24.63% of the service activities GDP, 33.4% of India's manufacturing output, 45% of the overall exports from India providing employment to over 120 million people^{***} MSMED Act, 2006 defines MSME on the basis of investment in plant & machinery (or) equipment for manufacturing and service activities respectively^{****}. The Micro enterprises with maximum investment of 25 lakh is the largest contributor in terms of employment next to agriculture in the country. It provides employment for about 10 crore people and many of these units are own account enterprises (OAE) which are referred as Non Corporate Small Business Sector (NCSBS). And this sector includes fruit/vegetable vendors, grocery shop owners, machine operators, artisans, small service units, truck drivers etc. The major constraints faced by the micro enterprises along the geographical expanse of the country are access to formal finance, infrastructure gaps, lack of growth orientation, skill development gaps, policy advocacy needs, lack of market development, knowledge gaps, information asymmetry and entry level technologies^{*}

The biggest obstacle to the growth of entrepreneurship in NCSBS is lack of institutional financial support, with only less than 6% of bank credit being sanctioned to this sector. Micro Units Development & Refinance Agency (MUDRA) was set up by Government of India based on the above mentioned backdrop with a primary objective of developing the micro enterprises sector in the nation by providing financial support in the form of refinance. The purpose of MUDRA is to provide financial inclusion, it aims to achieve this through attainment of intermediate objectives such as employment generation, women empowerment and standard of living improvement. Formation of MUDRA bank was announced by Finance Minister Mr. Arun Jaitley during the presentation of Union Budget (FY 2015 – 2016). Under the companies' Act 2013 MUDRA was registered as a company in March 2015 and as a NBFC with RBI on 7th April 2015 which was later launched by the Prime Minister Shri. Narendra Modi on 8th April 2015. Pradhan Mantri MUDRA Yojana (PMMY) is the scheme under which MUDRA provides financial support to micro and small businesses. MUDRA loan is completely collateral free with an interest rate ranging from 11% to 20% based on the tenure and bank providing the loan. People with business

plan for non-cultivating segment activities such as manufacturing, processing or servicing can directly approach either a bank, MFI or NBFC for availing MUDRA loan under PMMY or through **udyamimitra.in** portal. This agency is created for developing & refinancing all micro enterprises sector by supporting the financial institutions which are lending to micro & small business entities engaged in manufacturing, trading and service activities. The MUDRA scheme was mainly launched for uplifting informal sector and connecting them to financial mainstream and it partners with lending institutions namely 27 public sector banks, 31 regional rural banks, 14 co-operative banks, 18 private sector banks, 31 Non-Banking Financial Companies (NBFC), 26 Micro Finance Institutions (MFI) and 47 MFI-NBFC.

The products offered by MUDRA are Shishu loans up to 50,000 rupees, Kishor loans from 50,000 rupees to 5 lakh rupees and Tarun loans from 5 lakh rupees to 10 lakh rupees. The different segments of MUDRA offerings are Sector / Activity focused schemes, Micro Credit Scheme (MCS), Refinance Schemes for Regional Rural Banks (RRB) & Co-operatives, MahilaUddyami Scheme, Business Loan for Traders and Shopkeepers, Equipment Finance for Micro Units. These offerings are made for the purpose of providing development & promotional support (i.e.) sectoral development, skill development, entrepreneurship development, financial literacy and institutional development.

1.1 Literature Review:

Rudrawar and Uttarwar (2016) has done an evaluatory study of MUDRA scheme. The structure for implementation of MUDRA scheme and the roles & responsibilities of MUDRA have been described. The paper identified the impact of MUDRA would lead to an increase in employment generation, GDP growth, women empowerment, standard of living in people, capital formation and entrepreneurial spirit. The paper further concluded when implemented properly at the bottom level MUDRA will act as a catalyst, boosting the Indian economy in a short span through development of employment, GDP and entrepreneurship at large.

Mohapatra (2016) has done a study on role of MUDRA bank in financing Non-Corporate Small Business Sectors. This study describes MUDRA as an apex agency that regulates financial intermediaries namely MFIs & NBFCs to finance people at the bottom of the pyramid by

offering adequate credit at affordable rates. The paper has recognized the distinct effort of MUDRA bank is rekindling entrepreneurship by providing easy and timely credit to the budding entrepreneurs and enhancing the last mile financiers who are financing small businesses for non-farm income activities. The author concludes that creation of MUDRA scheme is a welcome step in addressing the need of the marginalized sections of population in the country.

Implementation of MUDRA leads to employment generation, standard of living improvement, women empowerment and increase in entrepreneurial spirit which in turn improves social welfare. Whereas Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), introduced by Government of India to increase employment opportunities in rural areas also enhances welfare of the society to a great extent. As there are only 2 studies on impact of MUDRA, impact studies of MGNREGA are also considered for this study as both schemes are involved in improving social welfare.

Kumar and Joshi (2013) examined the impact of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on food consumption, nutritional security, employment opportunities and income generation using Indian household units' data of National Sample Survey (NSS), 2009. A comparative analysis of beneficiaries and non-beneficiaries of MGNREGA showed that the MGNREGA has positively influenced the beneficiaries. They have concluded that rise in income level has led to an increase in food consumption level and the impact of MGNREGA has been positive in increasing household food consumption, changing dietary pattern and providing nutritional food security to the poor rural households of India.

Ahuja, Tyagi, Chauhan and Chaudhary (2011) examined the impact of MGNREGA on rural employment and migration was examined. The impact has been studied in terms of income, employment security, migration, debt repayment, extent of participation in MGNREGA works, improvement in socio economic status by using the information from participants and non-participants in MGNREGA. From this study it can be inferred that, MGNREGA could not reduce the level of migration from the developed regions because of high market wages at different destinations. The authors have concluded that the participation is low in MGNREGA by landlords with large holding of farms and livestock and poor persons migrating for employment.

The purpose of impact assessment is to find the several bottlenecks that prevents the scheme from providing desired results, whereas rural employment, agriculture and women's empowerment are the factors influencing the impact of MGNREGA (Fernandes, 2015). The impact study of MGNREGA is made mainly to find the improvement in the employment status, income, landholding size, herd size and others assets of sample households after the implementation of the scheme (Ahuja et al., 2011). The wage hikes and increase in income can be attributed to the positive impact of MGNREGA (Reddy, Reddy & Bantilan, 2014). The impact of MGNREGA has been identified as positive due to increase in household food consumption, change in dietary pattern and improvement in nutritional security after implementation of the scheme, (Kumar & Joshi, 2013). The impact of MGNREGS has been considered major, as the wages have increased after the implementation of MGNREGS (Thadathil & Mohandas, 2012). The impact of MGNREGA can be considered positive due to eightfold increase in employment by this scheme (Ehmke, 2016). From the above studies on MGNREGA, we can infer that the impact assessment has been made for 2 reasons, one to identify the hurdles in implementation of the scheme, two to find out the effectiveness of the scheme. The impact can be considered as effective when there is an increase in employment opportunities, wage, food consumption, nutritional security etc. on the households after the implementation of government schemes.

The variables used in the assessment studies are employment generation, GDP growth, women empowerment, improvement in standard of living, capital formation, entrepreneurial spirit, food consumption, income generation, nutritional security.

Numerous schemes were introduced by central government for the benefit of Indian citizens, SME's and institutions. Some of the schemes introduced are digital India, Pradhan Mantri Dhan Yojana, Swachh Bharat, Make in India, Saansad Adarsh Gram Yojana, Atal Pension Yojana, Awas Yojana, Jeevan Jyoti Bima Yojana, Suraksha Bima Yojana, Pradhan Mantri Mudra Yojana, Krishi Sinchai Yojana etc. The impact of the schemes which are introduced has to be assessed periodically to know whether the desired outcome has been achieved and also to identify the problems in the implementation of the scheme. When the objectives of the schemes are not achieved then expected outcomes in terms of employment creation, improved standard of living, skill development, financial inclusion etc. cannot be reached. Another purpose of the impact study of government policies is to identify the challenges faced in terms of reaching the

needy and to make the policy as effective as possible. This helps large number of people to obtain gains through these policies.

In this study focus has to be on equipment finance for micro units which is one of the offerings of MUDRA scheme. So based on the area of focus following variables are used for assessing the impact namely employment generation, improvement in standard of living and women empowerment. This study assesses the impact of MUDRA scheme which has been introduced for the financial inclusion of NCBS and small industries.

1.2 Research objectives

The objectives of the study are

- 1) To understand the performance of MUDRA scheme pan India.
- 2) To identify the awareness about the MUDRA scheme among Micro and small enterprises at Coimbatore.
- 3) To assess the impact of MUDRA scheme on beneficiaries.

2. Research Method:

This study follows a descriptive research design. The study is conducted in Coimbatore, the Manchester of south India, where over 40,000 micro, small and medium industries are located. There are different clusters of micro and small enterprises in Coimbatore. The major clusters are manufacturing sector and service sector. The different sub clusters in manufacturing sector are pump & motors, foundries, light engineering, wet grinder, gold jewelry, electronic products, auto spare manufacturing, sugar mills, paper mills etc. The Coimbatore Tirupur District Micro and Cottage Entrepreneurs Association (COTMA) comprises close to 4000 micro and small industries. The sample of the study was drawn from enterprises registered under COTMA. COTMA is involved in increasing sanctions of MUDRA loans to their members by recommending them to the banks, so the samples from this association will be more appropriate to know about the impact of MUDRA scheme. 30 small industries which are associated with the COTMA and 20 micro enterprises located at different parts of Coimbatore are considered as sample for the study. The study followed a convenience sampling technique due to constraints in

accessibility and time. The period of the study spans 3 years from 2015 to 2018. Since MUDRA was introduced in the year 2015.

Data for the study is collected using a structured questionnaire, informal interviews and secondary data were also collected from office bearers of COTMA and MUDRA annual report FY 2016-17. The research survey was conducted during various days in the month of January & February 2018, among 30 owners of small industries associated with COTMA and 20 owners of micro enterprises.

2.1 Data - variables:

MUDRA is in existence for the last 3 years but the data for FY 2015 -16 and FY 2016-17 are only available. In this study the performance of MUDRA is studied in terms of amount sanctioned agency wise, state wise and beneficiary wise. The level of awareness about the scheme, methods to improve the awareness about the scheme and perception on convenience of obtaining the MUDRA loan are also studied. The impact of MUDRA scheme is studied based on the objectives of the scheme namely women empowerment, employment generation and improvement in standard of living. Fowler and Markel (2016) in their study on measuring job creation in private sector development have identified that job creation can be measured using employee headcount, Full Time Equivalent (FTE). FTE has been defined as days of work created divided by 240 days. O'Donnell, Doorslaer, Wagstaff and Lindelow (2008) in their study identified that the direct measures of living standards as change in income, expenditure and consumption. The study classifies consumption into three main classes namely food items, consumer durables and non-food & non-durable items which are measured through the level of expenditure on those 3 classes. Chung, Kantachote, Mallick, Polster and Roets (2013) in this study have identified indicators of women empowerment in developing nations as economic contribution, education, governance and health. The economic contribution can be measured by workforce composition, labor and entrepreneurial opportunities provided to women. The identified variables for measuring employment generation namely increase in employee headcount & FTE (Full Time Equivalent) (Fowler & Markel, 2016); for measuring women empowerment namely increase in women employee headcount, increase number of women employees in higher position (Chung et al., 2013) and for measuring improvement in standard of

living namely increase in salary, increase in expenditure, increase in level of spending on food items, increase in level of spending on consumer durables, increase in level of spending on non-food & non-durable items are used for this study (O'Donnell et al., 2008).

2.2 Tool:

Analysis of data and interpretation is done using the below mentioned methodologies;

- 1) Simple percentage analysis
- 2) One sample t-test

3. Results and Analysis:

3.1 Performance analysis of MUDRA scheme pan India:

Since the inception of MUDRA in 2015 an amount of Rupees 4.99 lakh crore has been sanctioned under this programme. During the first year 1.22 lakh crore was set as target against which 1.37 lakh crore was sanctioned, whereas during the second year the target was set as Rs. 1.80 lakh crore and the target was surpassed as mentioned in Table 1. As the sanctions surpassed target in all previous years, government has decided to set the target as Rs. 300,000 crore for the upcoming financial year 2018-19. The performance of MUDRA is analyzed using actual credit sanctions versus target and analysis of types of beneficiaries.

3.1.1 Agency wise analysis:

The percentage share of the sanctions made under MUDRA for FY 2016-17 by various agencies can be observed from Table 1. It can be noted that from Rs. 1.80 lakh crore sanctioned 40% was sanctioned by Public Sector Banks, 32% by Private Sector Banks, 7% by RRBs and 32% by others (Small Finance Banks, MFIs and NBFCs). This data indicates an overall growth in sanction by 31%. The growth remained at 21% for Public Sector Banks and MFIs/SFBs, however the highest growth was seen by private sector banks at 91% and least by RRBs at 6%. This data indicates that the Private Sector Banks performed well and sanctioned Rs. 39,042 crore. This increase in contribution could be attributed to the Bandhan Bank that sanctioned Rs. 14,762 crore whereas the sanctioned amount was more than one third of the share of Private Sector Banks.

Table 1: Agency wise performance (Rupees in crore):

Agency	Target (2016-17)	Sanction (2016-17)	Sanction (2015 -16)	Growth
Public Sector Banks	77,700	71,953.67 (40%)	59,674.28 (43%)	21%
Private Sector Banks	21,000	39042.60 (21%)	20,445.74(15%)	91%
RRBs	15,000	12,009.52 (7%)	11,324.47 (8%)	6%
Small Finance Banks / MFIs	66,300	55,657.01 (31%)	46,004.78 (34%)	21%
NBFCs	*	1865.74 (1%)	*	
Total	1,80,000	1,80,528.54 (100%)	1,37,449.27 (100%)	31%

*- Target not given

Source: MUDRA annual report 2016-17,

3.1.2 State-wise analysis:

From Table 2 we can infer that in the highest sanction of Rs.18052.68 crore has been made in TN which is 14 % higher when compared to FY 2015-16 and the share to overall performance is also highest when compared to all other states. This data shows that Tamil Nadu has utilized maximum part of the MUDRA loans in the FY 2016-17. The growth in West Bengal, Bihar and Rajasthan were 95%, 61% and 65% respectively which are quite high when compared to the other states. This increase in the northern part of India can be again attributed to the participation of new institutions like Bandhan Bank Ltd and AU small finance bank in those cities.

Table 2: Performance of top 10 states (Rupees in crore)

S.NO	State	Target (2016-17)	Sanction (2016-17)	Sanction (2015 -16)	Growth (%)	Share to overall performance (%)
1	Tamil Nadu	20,117.10	18,052.68	15,846	14	10.00
2	Karnataka	18,388.68	18,002.55	16,861	7	9.97
3	Maharashtra	20,159.08	17,286.66	13,806	25	9.58
4	West Bengal	10,157.42	15,695.01	8,034	95	8.69
5	Uttar Pradesh	16,636.78	15,282.61	12,276	24	8.47
6	Bihar	10,657.51	12,190.60	7,554	61	6.75
7	Madhya Pradesh	10,442.56	10,506.45	8,097	30	5.82
8	Rajasthan	7,086.90	9,027.71	5,485	65	5.00
9	Odisha	6,980.72	7,891.34	5,695	39	4.37
10	Gujarat	8,066.52	7,781.94	6,035	29	4.31

Source: Mudra annual report 2016-17

3.1.3 Beneficiary wise analysis:

The objectives of MUDRA are to provide equitable development opportunities, increase the spirit of entrepreneurship and to achieve women empowerment. From Table 3 it can be inferred

that MUDRA, participation of women was very much high when compared to minority and new entrepreneurs during FY 2016-17 and it recorded the highest percentage of 44.47% share to the overall sanctions. This shows that the women entrepreneurs are mostly benefitted through this MUDRA scheme when compared to any other category. This is an evidence of attaining the most important objective of MUDRA which is women empowerment. The funds sanctioned to new entrepreneurs has the next highest share of 40.41% which shows the entrepreneurial spirit has been improved among the people. The sanctions to minority category is only 11.23% which is low and hence sanctions to this sector can be increased to achieve effective financial inclusion.

Table 3: Sanctions to beneficiaries' (FY 2016-17) - (Rupees in crore)

Category	Amount sanctioned	Share to overall sanction (%)
Women	80,289.68	44.47
Minority	20,276.07	11.23
New Entrepreneurs	72,960.14	40.41

Source: Mudra annual report 2016-17

3.1.4 Working capital sanction analysis:

Working capital is essential for a firm to run day to day operations, whereas lack of that leads to liquidity issues and affects profitability of the firm. Taking into consideration the essentiality of routine funds for efficient functioning of a MSE MUDRA provides working capital loans to MSEs through MUDRA card which is a Rupay debit card. This MUDRA card can be used for purchasing raw materials, machinery and other components from retail stores or online platforms. Totally 7 lakh MUDRA cards were issued since the inception of MUDRA. From Table 4, it can be inferred that during FY 2016-17 there is an increase in the loan amount sanctioned as working capital by 6% though the number of fresh cards issued were significantly lesser than 2015-16.

Table 4: Working capital loan sanctions

Year	Number of MUDRA cards issued (in lakh)	Amount sanctioned as working capital loan (Rupees in crore)
2015-16	5.17	1,476
2016-17	1.84	1,565

Source: Mudra annual report 2015-16 & 2016-17

3.1.5 Overdraft sanction analysis:

Overdraft is credit extension from an institution when the account balance reaches zero. It acts as a flexible way to manage short term expenses and if the facility is availed there is no need for the account holder to visit the bank frequently for short term financial needs. As a part of MUDRA loan, the overdraft facility is provided to the account holders where an amount of Rs 5000 is sanctioned under Pradhan Mantri Jan Dhan Yojana (PMJDY). From Table 5, it can be inferred that the amount sanctioned as overdraft is 53% higher compared FY 2015-16. Though the number of accounts are lower the volume of funds sanctioned has improved significantly, which indicates an increase in overdraft amount sanctions.

Table 5: Overdraft amount sanctions

Year	Number of accounts with OD facility (in lakh)	OD amount sanctioned (Rupees in crore)
2015-16	37.3	272.04
2016-17	14.23	418

Source: Mudra annual report 2015-16 & 2016-17

3.2 Awareness about MUDRA scheme among micro and small industries at Coimbatore

Awareness is the first step to financial inclusion. In this section three aspects are analyzed, namely 1) Level of awareness 2) Methods to improve the level of awareness 3) Convenience of availing the MUDRA scheme by beneficiaries.

3.2.1 Level of awareness analysis:

From Table 6, it can be inferred that majority of the respondents (36%) are not aware of MUDRA scheme and only 4% of the respondents are aware of all the products, process of availing and the benefits of MUDRA. About 28% are aware of some of the schemes and 32 % of the respondents are familiar with the scheme and not about the process or the benefits. Cumulatively about 68% of respondents have low level of awareness about the scheme which is alarming. So necessary steps has to be taken to improve the awareness about the scheme.

Table 6: Distribution of respondents based on the level of awareness

Awareness level	N	%
Zero	18	36
Low	11	22
Medium	5	10
High	14	28
Very high	2	4

3.2.2 Analysis of Suggestions on methods to improve awareness:

From Table 6, it can be inferred that majority of the respondents (36%) are not aware of MUDRA scheme and only 4% of the respondents are aware of all the products, process of availing and the benefits of MUDRA. About 28% are aware of some of the schemes and 32 % of the respondents are familiar with the scheme and not about the process or the benefits. Cumulatively about 68% of respondents have low level of awareness about the scheme which is alarming. So necessary steps has to be taken to improve the awareness about the scheme.

Table 7: Distribution of respondents on basis of their suggestion on methods to improve awareness

Methods to improve awareness	N	%
Newspaper	1	2
TV	15	30
Radio	4	8
Advertising through banks	27	54
Online advertising	1	2
Association promotion	2	4

3.2.3 Beneficiaries' level of convenience in obtaining MUDRA loan:

Table 8: One sample t- test for beneficiaries' level of convenience

Variables	N	Mean	Statistical significance (p-value)
Level of Convenience	24	3.875	0.00
Note: Significant at 5% level of significance			

The beneficiaries of MUDRA scheme in the sample population were considered for this study. The respondents were asked to rate the level of convenience in obtaining MUDRA loan on a 5- point Likert scale (highly inconvenient, inconvenient, neither convenient nor inconvenient, convenient, highly convenient) and one sample T test was conducted. The hypotheses for this test were set as H0: The mean level of convenience = 3 and H1: The mean level of convenience \neq 3. The findings as observed in the table 8, where p-value of the one sample t-test $0.000 < 0.05$, which shows that we can reject null hypothesis (The mean value is equal to 3.875) and conclude that the respondents felt convenient in obtaining MUDRA loan. The informal interviews made with the office bearers of COTMA revealed that the level of convenience can be further improved by creation of separate banks for MUDRA (or) dedicated desk for MUDRA loans.

3.3 Impact assessment of MUDRA scheme on beneficiaries a Coimbatore:

For government schemes impact has to be assessed to identify whether the objectives are achieved. The objectives of MUDRA are employment generation, women empowerment and improvement in standard of living. Hence an assessment of Improvements in the above mentioned outcomes have been made.

3.3.1 Impact of MUDRA scheme on employment generation:

The variables used to measure impact of MUDRA scheme on employment generation are increase in employee headcount & FTE after the implementation of the scheme. The respondents were asked to provide their opinion on increase in employee headcount and FTE after the implementation of the scheme on a 5- point Likert scale (strongly disagree, disagree, neither agree nor disagree, agree and strongly agree). First one sample t-test for opinion on increase in employee headcount was conducted. The hypotheses for this test were set as H0: The mean value

of opinion on increase in employee headcount = 3 and H1: The mean value of opinion on increase in employee headcount \neq 3. From Table 9, it can be observed that p-value of the one sample t-test $0.000 < 0.05$, which shows that null hypothesis is rejected. The mean value is equal to 3.9167 which means there has been a significant increase in the employee headcount after the implementation of MUDRA scheme. Then one sample t-test for opinion on increase in FTE was conducted. The hypotheses for this test were set as H0: The mean value of opinion on increase in FTE = 3 and H1: The mean value of opinion on increase in FTE \neq 3. The findings as seen in the Table 9 shows p-value of the one sample t-test as $0.031 < 0.05$, which means we reject the null hypothesis (The mean value is equal to 3.4583) and conclude that FTE has increased after the implementation of MUDRA scheme. Hence based on above analysis, we can infer that both employee headcount and FTE of the beneficiary enterprises have increased after the implementation of scheme, which shows that there is a positive impact of MUDRA on employment generation.

Table 9: One sample t- test for measurement of impact on employment generation

Variables	N	Mean	Statistical significance (p-value)
Increase in employee headcount	24	3.9167	0.00
Increase in FTE	24	3.4583	0.031
Note: Significant at 5% level of significance			

3.3.2 Impact of MUDRA scheme on women empowerment:

The variables used to measure the impact of MUDRA scheme on women empowerment are increase in women employee headcount & women employees at higher level after the implementation of the scheme. The respondents were asked to provide their opinion on increase in women employee headcount & women employees at higher level after the implementation of the scheme on a 5- point Likert scale (strongly disagree, disagree, neither agree nor disagree, agree and strongly agree).

Firstly, one sample t-test for opinion on increase in women employee headcount was conducted. The hypotheses for this test were set as H_0 : The mean value of opinion on increase in women employee headcount = 3 and H_1 : The mean value of opinion on increase in women employee headcount \neq 3. From Table 10 it can be observed that p-value of the one sample t-test 0.692 > 0.05 which shows that the null hypothesis is accepted. (The mean value is equal to 3.0833) which shows that there is no significant improvement in the women employee headcount after the implementation of MUDRA scheme.

Then one sample t-test for opinion on increase in women employees at higher level was conducted. The hypotheses for this test were set as H_0 : The mean value of opinion on increase in FTE = 3 and H_1 : The mean value of opinion on increase in FTE \neq 3. From Table 10 it can be observed that p-value of the one sample t-test 0.00 < 0.05 which shows that null hypothesis is rejected. (The mean value is equal to 2.1667) which shows that there is no significant improvement in the women employee headcount after the implementation of MUDRA scheme.

From the above facts we can infer that there is no effective impact of MUDRA scheme on women empowerment. Here based on the above analysis, we can infer that there is no change in women employee headcount and number of women employees in higher position after the implementation if MUDRA scheme, which shows that the impact of MUDRA is not effective on women empowerment

Table 10: One sample t- test for measurement of impact on women empowerment

Variables	N	Mean	Statistical significance (p-value)
Increase in women employee headcount	24	3.0833	0.692
Increase in women employees at higher level	24	2.1667	0.000
Note: Significant at 5% level of significance			

3.3.3 Impact of MUDRA scheme on improvement in standard of living:

The variables used for measuring impact of MUDRA on improvement of standard of living are level of increase in the following aspects namely salary, expenditure, spending on food items, spending on consumer durables and spending on non-food & non-durable items after the implementation of MUDRA. The respondents were asked to provide their opinion on increase in the above mentioned aspects on a 5- point Likert scale (strongly disagree, disagree, neither agree nor disagree, agree and strongly agree).

Firstly, one sample t-test for opinion on increase in salary was conducted. The hypotheses for this test were set as H₀: The mean value of opinion on increase in salary = 3 and H₁: The mean value of opinion on increase in salary \neq 3. From Table 11 it can be observed that p-value of the one sample t-test $0.00 > 0.05$ which means that the null hypothesis is rejected. (The mean value is equal to 3.9583) which shows that there is a significant increase in salary after the implementation of MUDRA scheme.

Then one sample t-test for opinion on increase in expenditure was conducted. The hypotheses for this test were set as H₀: The mean value of opinion on increase in expenditure = 3 and H₁: The mean value of opinion on increase in expenditure \neq 3. From Table 11 it can be observed that p-value of the one sample t-test $0.00 < 0.05$ which shows that the null hypothesis is rejected. (The mean value is equal to 3.7197) which shows there is a significant increase in expenditure after the implementation of MUDRA scheme.

Then one sample t-test for opinion on increase in level of spending on food items was conducted. The hypotheses for this test were set as H₀: The mean value of opinion on increase in level of spending on food items = 3 and H₁: The mean value of opinion on increase in level of spending on food items \neq 3. From Table 11 it can be observed that p-value of the one sample t-test $0.103 > 0.05$ which shows that the null hypothesis is accepted. (The mean value is equal to 3.333) which shows that the respondents neither agree nor disagree that there is an increase in level of spending on food items after the implementation of MUDRA scheme. Hence it can be concluded that there is no significant increase in expenses on food.

Then one sample t-test for opinion on increase in level of spending on consumer durables was conducted. The hypotheses for this test were set as H₀: The mean value of opinion on increase in level of spending on consumer durables = 3 and H₁: The mean value of opinion on increase in level of spending on consumer durables \neq 3. From Table 11 it can be observed that p-value of the one sample t-test $0.011 < 0.05$ which shows that the null hypothesis is rejected. (The mean value is equal to 3.5) which shows there is a significant increase in level of spending on consumer durables.

Then one sample t-test for opinion on increase in level of spending on non-food and non-durable items was conducted. The hypotheses for this test were set as H₀: The mean value of opinion on increase in level of spending on non-food and non-durable items = 3 and H₁: The mean value of opinion on increase in level of spending on non-food and non-durable items \neq 3. From Table 11 it can be observed that p-value of the one sample t-test $0.285 > 0.05$ which shows that the null hypothesis is accepted. (The mean value is equal to 2.7917) which shows that there is no significant increase in level of spending on non-food and non-durable items.

From the above results we can identify that there is a significant increase in salary, expenditure and level of spending on consumer durables after the implementation of the scheme, whereas there is no increase in level of spending on food items and level of spending on non-food & non-durable items. Hence, the three variables out of five that influences the improvement in standard of living has increased, which shows that there is a positive impact of MUDRA on improvement in standard of living.

Table 11: One sample t-test for factors influencing impact of improvement in standard of living

Variables	N	Mean	Statistical significance (p-value)
Increase in salary	24	3.9583	0.00
Increase in expenditure	24	3.7917	0.00
Increase in level of spending on food items	24	3.3333	0.103
Increase in level of spending on consumer	24	3.5	0.011

increase in level of spending on non-food and non-durable items	24	2.7917	0.285
Note: Significant at 5% level of significance			

4. Managerial Implications:

Office bearers of COTMA shared some opinions and insights regarding MUDRA which are as follows. The bank managers are not very much supportive in providing MUDRA loan to new account holders. During sanctioning of MUDRA lots of paper work is involved and the bank managers have to do this in addition to their daily work load, so there is a high possibility that the loan proposal rejection in the banks. By Creation of separate bank for MUDRA (or) dedicated desk for MUDRA loans, these problems can be eradicated. Regarding improving awareness of MUDRA scheme, association meetings are not sufficient to spread awareness, so public meetings has to be held and MUDRA scheme has to be explained to general public which helps more number of people to avail the benefits of the scheme. The process of obtaining MUDRA is convenient when bank is approached through COTMA. Regular transfer of the bank managers affects the sanctioning of loan, as they will be held responsible if the loan turns into a Non Performing Asset (NPA) even after their transfer from that branch.

5. Conclusion:

Micro Units Development & Refinance Agency (MUDRA) was set up by Government of India with a primary objective of developing the micro enterprises sector in the nation by providing financial support in the form of refinance. The purpose of MUDRA is to provide financial inclusion, it aims to achieve this through attainment of intermediate objectives such as employment generation, women empowerment and standard of living improvement. The objectives of this study are namely to understand the performance of MUDRA scheme pan India, to identify the awareness about the MUDRA scheme among Micro and small enterprises at Coimbatore and to assess the impact of MUDRA scheme on beneficiaries at Coimbatore. The agency-wise performance analysis revealed that the contribution of private sector banks were higher when compared to public sector banks. The state-wise performance analysis revealed that West Bengal, Bihar and Rajasthan had achieved a highest growth in sanctions and Tamilnadu

had the highest share to overall performance of the scheme. The working capital and overdraft sanction analysis concluded that there was a significant increase in level of funds sanctioned under these categories. The analysis on awareness about MUDRA scheme among micro and small enterprises at Coimbatore identified that that the level of awareness was low and revealed effective method to improve the awareness as advertising through banks. This study also concluded that the process of obtaining loan through MUDRA was convenient for the beneficiaries at Coimbatore. The analysis on impact of MUDRA on beneficiaries at Coimbatore revealed that there was a positive impact of MUDRA on employment generation and improvement in standard of living whereas the impact was not effective on women empowerment.

The academic implications of this study are namely objectives, importance, benefits, products and offerings of MUDRA. In addition to the above mentioned, this study also provides information about the channels to obtain MUDRA and performance of MUDRA in a detailed manner. The areas that can be attributed to the impact of government schemes and level of awareness about the MUDRA scheme among small & medium enterprises at Coimbatore were also discussed in this study. In here the impact of MUDRA was studied only in terms of women empowerment, improvement in standard of living and employment generation, in future research the impact can also be studied in terms of GDP contribution, increase in entrepreneurial spirit and capital formation for more comprehensive results. And in this study, awareness and impact of MUDRA were studied with limited sample size, in future research increased sample size and samples from different cities can be used for better generalizations of findings.

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