

# Financial Inclusion of Rural Women by MUDRA Yojna: A Critical Review

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**Abstract**—In the present scenario finance is the most powerful need of human beings as well as women folk. Our financial structure has consistently been guided by a fundamental strategy for both pragmatic and all-encompassing growth. Covering every women under monetary admission is the main goal of our government. A number of significant initiatives to “funded the unfunded” every women have been introduced by the government. The Pradhan Mantri MUDRA Yojana (PMMY) is one of the government of India initiative that is crucial to the maintain the policy of financial Inclusion of rural Women. Financial help Or credit has been the best priority for rural areas.

**Keywords:** Rural Women, MUDRA Yojna, Financial Inclusion.

## I. INTRODUCTION

Women are the most valuable part of the rural economy. Although they have no sufficient means of financial assistance. They are not self employed and not self dependent due to unusual self earnings. Their financial self dependence and self economical sources are limited. The financial system of

their families are driving by male members of their families. Financial Inclusion define the process of ensuring appropriate credit approach for rural women. Our government has launched MUDRA Yojna to solve the problem of financial exclusion through the credit facilities availability by institutional sources. On April 8, 2015 the honorable Prime Minister Mr. Narendra Modi launched MUDRA Yojna. MUDRA appears to be an alternative way to address the issues of capital scarcity and encourage the development of rural women. Access to credit availability empowering rural women by raising their capacity to support their families by financially. It is seems a way in addition the encourage financial power of rural women. Furthermore, it offers rural women’s self dependence to take decisions, to hold their family, to aware their socioeconomic empowerment and reduce women’s harassment in rural society.

## II. THE STATEMENT OF THE PROBLEM

The present research paper aims to investigate the concept of rural women’s financial Inclusion by our government. It also describes the process of MUDRA Yojna to rural women. It present the phenomenon of rural women’s transformation of financial assistance by governmental support.

In rural India, the main problem that acts as a hurdle for the development of women is the system, structure and process of credit facilities. They face many problems related to credit approach and credit approval. Rural credit is classified into the two forms;

### SOURCES OF RURAL CREDIT

- |                         |                              |
|-------------------------|------------------------------|
| 1) Institutional Credit | 2) Non institutional sources |
| Commercial Banks        | Mahajan                      |
| Cooperative societies   | Sahukar                      |
| Regional Rural Banks    | Relative                     |
| Land Development Banks  | Friend Government            |

## III. REVIEWS OF LITERATURE

In a conceptual paper on MUDRA Bank's performances Lavanya Kumari<sup>1</sup> (2015) examined the bank's functions, responsibilities, and product offerings in a study on financial support to the MSME sector. The report described how MUDRA Bank has affected Micro, Small and medium-sized business.

Verma<sup>2</sup> (2015) emphasised that the MUDRA Bank's design will not only address the financial issues facing MSMEs but also provide moral support to a large number of young people, enabling them to realise their aspirations of becoming business owners.

In order to assess the financial performance of the scheme, Parimala Ramesh<sup>3</sup> (2016) did a study on performance evaluation of MUDRA yojna, According to the study's findings, the Shishu scheme is the best-performing one, and the SC/ST/OBC category benefits the mostly by this scheme.

Seema<sup>4</sup> (2015) focuses on MUDRA's effects on the Indian economy as well as its offers, such as Micro Credit Schemes (MS) and refinancing to RRB, and co-operative banks. She also argued that MUDRA specially offers women entrepreneurs landing to their empowerment.

The issue of microenterprise financing accessibility was noted by Sandhya Ruhela and Kishor Kumar<sup>5</sup> (2017) in Mudra Bank: A Paradigm shift in Refinancing and Regulating MFIs in India. They proposed that the Pradhan Mantri Mudra Yojna would help the improved obtain financing at a reasonable cost. The scheme has demonstrated significant increase in terms of loan distribution, it was concluded.

#### **IV. CAUSES OF POOR FINANCIAL INCLUSION OF RURAL WOMEN**

- I. Limited involvement in institutional financial resources lead the women's low credit adoption in rural areas.
- II. Gender sensitivity is another factor that can check rural women's financial inclusion.
- III. Easiest approach to non institutional financial assistance. As: Rural landlords, Sahukars etc. are available them 24\*7.
- IV. Not possibility of guarantors for taking credit.
- V. Low literacy rate also causes poor financial inclusion among the rural women.
- VI. Rural women's have no sufficient awareness towards government's financial assistance.
- VII. The male dominated rural society wants to bound financial power in own control, so they not allowed to women for financial assistance.
- VIII. Rural women's have no sufficient knowledge about digital media. As : mobile, smart phone, online activities, etc.
- IX. Poor travel capacity is also causes the insufficient financial approach of rural women, as that they have no self means for travel outside the village.

#### **V. OBJECTIVES AND SCOPE OF THE STUDY**

- To introduce the Pradhan Mantri MUDRA Yojna.
- To find out the causes of financial inclusion of rural women.
- To describe the benefits of MUDRA Yojna.
- To realize the challenges of MUDRA Yojna at rural women's side. The scope of the study is based upon rural areas. It is limited to rural women.

#### **VI. METHODOLOGY OF THE STUDY**

In this present descriptive study, secondary data from newspaper, websites and research articles including to describe rural women and MUDRA Yojna. Online data are used to define MUDRA Yojna.

#### **VI.I. CONCEPT OF MUDRA YOJNA**

As Governmental Financial Inclusion of Rural Women MUDRA Yojna lends small amounts of money to micro business

activities that generate self employment. With the provision of refinancing, the extension of credit guarantee support, and the use of a dedicated web portal to track the schemes' s advancement, the Micro Unit Development and Refinance Agency Limited (MUDRA), a wholly owned subsidiary of small industries development has been constructed this program.

Honorable PM Mr. Narendra Modi declared that despite making significant contribution to the economy, millions of ordinary men and women in this nation who manage small business have mostly state outside the formal institutional finance system. Our invention for funding the unfunded is called MUDRA.

## VI.II. ELIGIBILITY FOR APPLYING MUDRA YOJNA

- Age: Rural females must be no older than 65 years old and must be at least 18 years old.
- Citizenship: Rural women must be citizens of India
- Type of business: Non-farm, non-corporate work such as:- Beauty parlor, vegetable and medical shop boutique, handloom work, making of food products as jam, jelly, pickle, papad, designing and dieing of clothes. Category of loans: There are the following three categories – Shishu Kisore Tarun Amount upto ` 50,000 ` 50,000 5 lakh ` 5 lakh-10 lakh

## VI.III. PROCEDURE OF MUDRA YOJANA FOR RURAL WOMEN

1. Firstly, rural women need to go a local branch of a bank, cooperative bank, or microfinance institution (MFI) .
2. Secondly, rural women should complete the application, available in a branch or on the bank's website.
3. Further they give information about their work, the type of loan they need, and the amount of money they need.
4. Then they Include the necessary paper work. Such as :- Identification and residence verification, a current photo, and a quote for any equipment or other things they wish to buy.
5. Lastly they Apply, and be sure to save the application number they are given for future use. After confirming their application, the bank will credit the money to rural women.

## VI.IV. DATA ANALYSIS ON MUDRA AND RURAL WOMEN

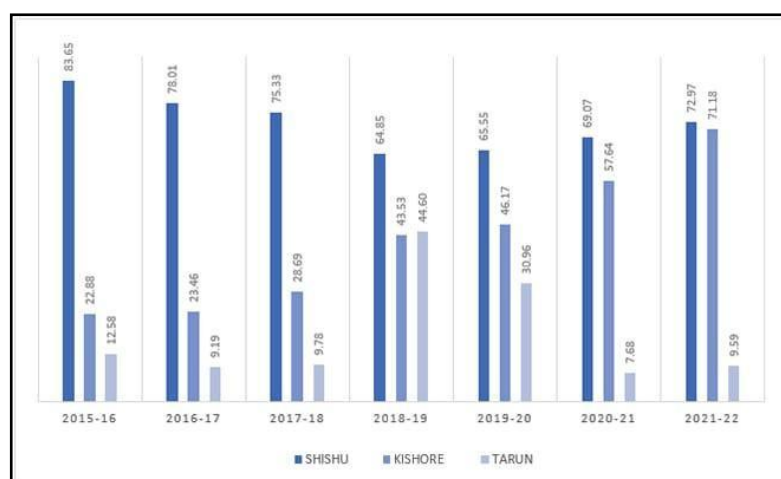


Figure 1: Category wise MUDRA Loan To Women Entrepreneurs By PMMY Report

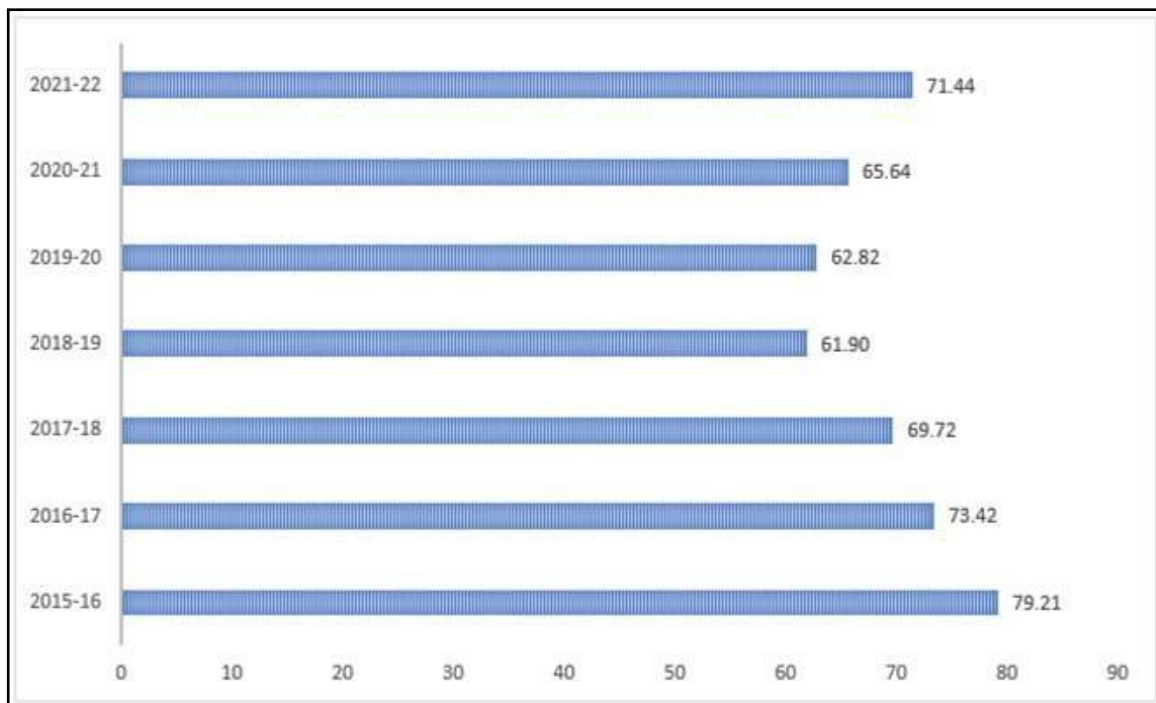


Figure 2: Share Of PMMY Accounts Held By Women Entrepreneurs ByPMMY Report

#### VI.V. STRONG FEATURES OF MUDRA YOJANA FOR RURAL WOMEN

- Easy to financial access for rural women.
- Generating self employment Activities for rural women.
- Supporter of livelihood for rural women.
- Motivating non-agriculture activities for rural women .
- Socioeconomic empowerment of rural women.
- Financial assistance at low interest late for women.
- Reach to formal financial institutions for rural women. Weakness and challenges of MUDRA Yojna for Rural Women
- Insufficient awareness knowledge about government financial inclusion.
- Biasedness by the banking officers as attract mail customer firstly.
- Limited number of female staff at financial institutions.
- Disbursement at the digitalization path in rural areas.
- Insufficient strictly directions for financial institutions to engage ruralwomen in this scheme.

#### VII. SUMMING UP

Hence Pradhan Mantri Mudra Yojana helps in promoting access to formal credit for women living in rural areas. In terms of rural work and employment generation, the Mudra Yojana has given very progressive results as rural women can get self-autonomy by setting up their own employment.

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