



GOVERNMENT'S INITIATIVE IN PROMOTING ENTREPRENEURSHIP: An Overview Of Msme Loan Scheme V/S Pradhan Mantri Mudra Yojana (Pmmy)

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ABSTRACT:-

At the one end Government is taking initiative to develop skill among the youth through skill development programme, on the other end it is bringing out many schemes to provide financial support to the small entrepreneur to setup their own business. Any individual or firm needs lots of fund to setup a business. Without the capital, starting a business is very difficult. Government initiatives will boost up the economy and also meet the challenges of unemployment.

Keywords:- entrepreneurship, MSME, PMMY, start-up, loan, skill development

Introduction :

Aspects of Entrepreneurship-

Generally Entrepreneurship is perceived as synonymous with a starting a new business and managing one's business. There is much in entrepreneurship more than owning business. Management experts have defined entrepreneurship in different ways. However, most of the definitions state that entrepreneurship is about starting a business, assembling the tools and required manpower and sustaining it and growing. Entrepreneurs spot opportunities and take risks in order to realize them. Entrepreneurial Higher Education is designed to develop and empower the staff and students for enterprise building innovation and creativity in research. For promoting enterprise you need to provide enhanced learning environment characterized by facilitating people to innovate and create business.

The World economy is changing very fast from wealth accumulated society to knowledge society. Satellite technology and expertise have made and making to access knowledge very fast without any continental boundaries. In respect of knowledge-sharing, physical boundaries have been broken. Satellite-induced knowledge-sharing help anyone to access knowledge without any formal Visa. Developments of Nanotechnology and Smart technologies have changed interpretation in smartness. In the race of smartness, we are moving very fast from Kbps (Kilo bits per second) to Mbps (Mega bits) and in near future to Tbps (Tera bits). Once Parle-G to 2G,3G, 4G and 5Gs.

Quality of education is another critical concern of entire education in general and teacher

education in particular. Privatization has increased commercialization and negatively impacted on majority of self-financing teacher education institutions. There are several empirical instances in higher education which reveals that privatization leading to commercialization further leads to degradation of quality in education sectors. Self-financing model of institutional management has become the most popular mode of privatization in education sectors.

Time is now ripe to go in search for the roots of our present educational system. Now it is the time to do radical change on our existing educational set up to revamp it to bring out a class of people, eventually understand the whole gamut of education in general. Let private institutions depend on their excellence for their very existence. Allow them a level playground without throttling them. Let there be an independent accreditation body of independent people of integrity that periodically publicizes the standards for students and parents to know.

Government Initiative for Skill development-

Do you have an idea? Do you want to innovate? Do you think you can use technology in a novel way, and set up enterprise of your own? You need not despair any longer, as the Government have launched a comprehensive mechanism to help all those wanting to set up their own Start-Ups and not look for jobs endlessly.

The Government has received a report prepared by the NITI Aayog "Expert Committee on Innovation and Entrepreneurship" which has made recommendations to operationalise the Atal Innovation Mission (AIM) and Self-

Employment and Talent Utilization (SETU) program announced in the 2015-2016 Union Budget.

Recognising that creation of jobs and economic growth can't be achieved only through improving ease of doing business, facilitating Foreign Direct Investment (FDI), promoting "Make in India and Skill India programmes", or labour reforms, the Government has responded to the urgent need to encourage people launch their own enterprises, motivated from their own innovative spirit and technological talents. The initiative can not only help people derive greater work-satisfaction and earn a living by themselves, but reduce the burden of creating employment on different sectors of the economy.

The Start-up India Action Plan launched by the Prime Minister. Mr. Narendra Modi on 16th January have kindled the spirit of adventure among the country's youth. They can now go ahead with their dream ventures, taking advantages of the friendly ecosystem of easy registrations, liberal finance, tax benefits and a simplified regulatory system. The diversity of business activity they adopt will boost economic growth, and trigger creation of thousands of new jobs.

The most assuring among the Government announcement was the Prime Minister's speech which is sure to galvanise the Start-up movement. He said those wanting to launch their own Start-ups were not driven by money-motive but had a desire to bring about a change. It was this spirit of adventure that the society had to respond to, he said. The country would welcome a Start-up even if it created five jobs only, be it related to agriculture, medical technology, handicraft sectors, and not necessarily IT, he said. The objective should be to solve a problem, the subject of business should not bother an entrepreneur, the Prime Minister said.

here has been great deal of attention paid to the subject of entrepreneurship in the 21st century. We may even say with certain definitiveness that this is and "era of entrepreneurship" as the youth of the period most of the time think of being owners of businesses. Secondly, they wish to put their full potential to use and make their life challenging and enjoy their ultimate power. They want to project themselves as achievers in the society and feel important. Further, youth of the day choose entrepreneurial careers because doing so seems to offer greater

economic rewards than being employed in a company.

Government's Schemes to provide financial support

An overview of MSME loan Scheme:

1. Any one who need a business loan but are deterred by the daunting process can visit a Government website where he/she can get approval for your business loan within an hour. Or in 59 minutes, as Prime Minister Narendra Modi described when he announced several benefits yesterday for the medium, small and micro enterprises (MSME) sector. he offer of 'Rs 1 crore loan in 59 minutes' was part of PM Modi's 12-point action plan for MSMEs. The government's website for MSME borrowers offers automated processing of loan that provides with a in-principal approval in less than an hour. The automated, contact-less business loan approvals are currently provided for loans worth Rs 10 lakh to Rs 1 crore. The rate of interest starts from 8% and collateral coverage is not mandatory because these loans are connected to Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme. The website reduces the turnaround time from 20-25 days to 59 minutes. After approval, the loan will be disbursed in about a week. Log in here and get a loan approval in these 10 quick and simple steps:

1. Register

Provide your name, email address and a mobile number on which you will receive and OTP.

2. Answer 4 questions

You need to answer four simple questions such as whether you are registered with GST and have been filing your GST returns regularly and have never defaulted on a loan.

3. Provide your GST details

4. Provide tax info

You can either upload your tax returns in XML format or login with your tax credentials — your PAN and date of incorporation.

5. Provide bank account info

You can either upload your bank statements or log in with your netbanking credentials.

6. Provide details of company directors

7. Provide loan info

Now you have to provide details of your business, the purpose of loan, any collateral security and any previous loans.

8. Select the bank

Select the bank from where you want a loan. Currently, about a dozen banks are linked with this website.

9. Payfee

You will have to pay a convenience fee of Rs 1,000 + GST.

10. Download approval letter

This is the last step. Your approval letter is ready to be downloaded.

Remember, before you log in to the website, you need to have these details and soft copies of documents with you —

- 1) GST Identification Number,
- 2) Income tax returns in XML format or your PAN and date of incorporation,
- 3) Bank statement for last six months in PDF format or your netbanking credentials,
- 4) Details of director and owners and other basic ownership details.

However, one should remember that this is sanctioning of a loan and not disbursement.

Banks may ask for other details and documents before disbursement of the loan

An overview of Pradhan Mantri Mudra Yojana (PMMY)

Micro Units Development and Refinance Agency Ltd. [MUDRA] is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs for lending to micro units having loan requirement upto 10 lakh. MUDRA provides refinance to micro business under the Scheme of Pradhan Mantri MUDRA Yojana. The other products are for development support to the sector. The bouquet of offerings of MUDRA is depicted below. The offerings are being targeted across the spectrum of beneficiary segments.

Under the aegis of Pradhan Mantri Mudra Yojana (PMMY), MUDRA has created products / schemes. The interventions have been named 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth to look forward to :

- Shishu : covering loans upto 50,000/-
- Kishor : covering loans above 50,000/- and upto 5 lakh

- Tarun : covering loans above 5 lakh and upto 10 lakh

It would be ensured that more focus is given to Shishu Category Units and then Kishor and Tarun Categories.

Within the framework and overall objective of development and growth of micro enterprises sector under Shishu, Kishor and Tarun, the products being offered by MUDRA are so designed, to meet requirements of different sectors / business activities as well as business / entrepreneur segments.

The funding support from MUDRA are of four types :

- Micro Credit Scheme (MCS) for loans upto 1 lakh finance through MFIs.
- Refinance Scheme for Commercial Banks / Regional Rural Banks (RRBs) / Scheduled Co-operative Banks
- Women Enterprise programme
- Securitization of loan portfolio

Purpose of Mudra Loan

Mudra loan is extended for a variety of purposes which provide income generation and employment creation. The loans are extended mainly for :

- Business loan for Vendors, Traders, Shopkeepers and other Service Sector activities
- Working capital loan through MUDRA Cards
- Equipment Finance for Micro Units
- Transport Vehicle loans

Conclusion-

To provide the basic needs like health, education and safety is the function of a government. This could be done very easily and effectively if the overall economy of a country runs well. The economy of a country could be healthier if it provides skill oriented education and jobs to all. India is a fast developing economic power where 60% percentage of population is under the age of 30. This huge young population can participate in the growth of Indian economy if they are well supported by the government in terms of setting up the small and medium enterprises. Any individual or firm needs lots of fund to setup a business. Without the capital, starting a business is very difficult. At the one end Government is taking initiative to develop skill among the youth, on the other end it is bringing out many schemes like Pradhanmantri Mudra Yojana, MSME loan scheme, etc. to provide loans to the small entrepreneur to setup their own business . These initiatives will boost up the economy

and also meet the challenges of

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