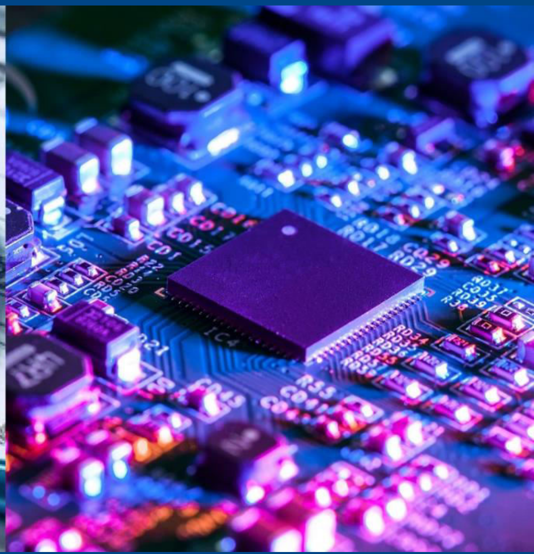
ISSN: 2582-7219

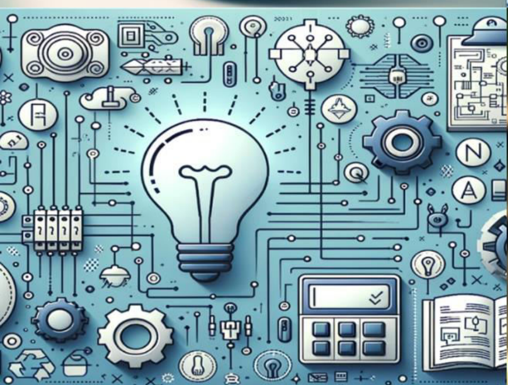




International Journal of Multidisciplinary Research in Science, Engineering and Technology

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)



Impact Factor: 9.864

Volume 9, Issue 7, July 2026

www.ijmrset.com | ijmrset@gmail.com | +91 6381 907 438 | +91 63819 07438

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 9.864| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Consumer Awareness of Non-Dilutive Mudra Loans Among Indian Shoppers Under PMMY

Dr.K.Nalini

Assistant Professor, Department of Commerce CA & BA, Sri Krishna Arts and Science College, Coimbatore, India

ABSTRACT: The Pradhan Mantri Mudra Yojana (PMMY) provides collateral-free (non-dilutive) loans to promote entrepreneurship and financial inclusion among micro and small enterprises. This study examines the level of consumer awareness of PMMY among 112 respondents using the Weighted Average Method and Ranking Analysis. The findings reveal that awareness of the scheme is moderate but relatively low (weighted mean = 1.68), while respondents generally agree that the collateral-free feature supports business start-ups (weighted mean = 3.62). The major barriers identified are lack of awareness, excessive documentation, and complicated application procedures. The study suggests strengthening awareness campaigns, simplifying loan procedures, and improving guidance from financial institutions to enhance the effective utilization of PMMY.

KEYWORDS: PMMY, Non-dilutive Loans, Consumer Awareness, Financial Inclusion, Entrepreneurship.

I. INTRODUCTION

Micro, small, and informal retail businesses play a significant role in the economic development of India. A large portion of the population depends on small shops, street vendors, and micro-enterprises for their livelihood. However, one of the major challenges faced by these small business operators is limited access to formal financial resources. Many entrepreneurs rely on personal savings or informal lending sources due to a lack of awareness about government-supported financial schemes. In this context, promoting financial inclusion and improving awareness of institutional credit facilities has become an important priority to support small business growth and sustainable economic development.

To address this issue, the Government of India introduced the Pradhan Mantri Mudra Yojana (PMMY), which provides financial assistance to micro and small entrepreneurs through non-collateral loans. These loans are considered non-dilutive in nature, allowing individuals to access funds without losing ownership or control of their businesses. Despite the availability of such initiatives, awareness among consumers and small shop owners remains limited. Therefore, understanding the level of consumer awareness regarding non-dilutive MUDRA loans and their accessibility is essential to evaluate the effectiveness of the scheme and to promote greater participation among potential beneficiaries.

1.1 OVERVIEW OF PRANDHAN MATRI MUDRA YOJANA

The Pradhan Mantri Mudra Yojana (PMMY) is a flagship initiative launched by the Government of India in April 2015 to promote entrepreneurship and support the growth of micro and small enterprises. The scheme was introduced under the guidance of the Micro Units Development and Refinance Agency (MUDRA) with the primary objective of providing financial assistance to non-corporate, non-farm small businesses that often face difficulty in obtaining credit from formal financial institutions. The PMMY scheme is designed to improve financial inclusion by providing affordable credit to small entrepreneurs such as shopkeepers, vendors, artisans, and service providers.

1.1.1 VISION

The vision of the Pradhan Mantri Mudra Yojana is to promote entrepreneurship and provide financial support to micro and small enterprises by ensuring easy access to institutional credit for non-corporate and non-farm businesses in India.

1.1.2 MISSION

The mission of the scheme is to facilitate collateral-free loans to small entrepreneurs, strengthen the micro-enterprise sector, promote financial inclusion, and generate employment opportunities by supporting business creation and expansion.

1.1.3 Statistical Evidence of PMMY's Outreach and Impact

The implementation of the Pradhan Mantri Mudra Yojana has significantly expanded access to institutional credit for micro and small entrepreneurs in India. Several statistics demonstrate the scale, outreach, and impact of the scheme since its launch.

- During the financial year 2024-25, about 4.79 crore Mudra loans were sanctioned with a total value of nearly Rs.5.02 lakh crore, reflecting the continued expansion and demand for the scheme.
- In terms of regional distribution, Tamil Nadu has recorded the highest Mudra loan disbursement of approximately Rs.3.23 lakh crore, followed by states such as Uttar Pradesh and Karnataka.

1.2 PROBLEM STATEMENT

The Pradhan Mantri Mudra Yojana was introduced to provide collateral-free, non-dilutive loans to micro and small entrepreneurs to encourage entrepreneurship and improve financial inclusion. However, despite the wide implementation of the scheme and the large number of loans sanctioned, many potential beneficiaries such as small retailers and consumers involved in business activities may still lack adequate knowledge about the scheme, its benefits, and the procedures to obtain these loans. Therefore, the major problem addressed in this study is the gap between the availability of non-dilutive MUDRA loans and the level of awareness among Indian shoppers and small business participants regarding these financial opportunities.

II. LITERATURE REVIEW

Rathee and Aggarwal (2025)[1], examine the relationship between microcredit access through PMMY and women's empowerment. Their findings demonstrate that access to MUDRA loans contributes to increased business ownership and improved decision-making capabilities among women entrepreneurs. However, the study notes that limited awareness, especially in rural regions, restricts the broader impact of the scheme Govindasamy and

Nagarajan (2025)[2], evaluate government initiatives aimed at improving awareness and accessibility of PMMY loans. The authors conclude that although digital platforms and coordinated awareness campaigns have expanded the reach of the scheme, sustained effectiveness requires integration with grassroots financial literacy programs.

2.1 OBJECTIVES OF THE STUDY

- To examine the level of consumer awareness regarding non-dilutive MUDRA loans among Indian shoppers under the Pradhan Mantri Mudra Yojana
- The study aims to understand how far shoppers and small retail participants are aware of the availability, features, and benefits of MUDRA loans.
- The study seeks to analyze the perception of consumers toward non-dilutive funding provided through MUDRA loans.

2.2 SCOPE OF THE STUDY

The scope of the study is based on the primary data collected through a structured questionnaire sent to 112 participants. The participants of the study include various demographic groups, such as students, salaried employees, and hopeful entrepreneurs. The study uses various statistical tools such as percentage analysis, weighted average method, ranking analysis, chi-square test, etc., to evaluate the collected data. These tools will help in understanding the results of the study. These tools will help in understanding and identifying patterns, relationships, and trends related to awareness and perceptions of Mudra loans.

2.3 LIMITATION OF THE STUDY

This study has certain limitations that may affect the generalization of its findings. The research is limited to a specific group of respondents, particularly shoppers and small retail participants in India, and therefore may not fully represent the awareness levels of the entire population. The study is based on primary data collected through surveys, and the responses depend on the honesty and understanding of the participants. Additionally, the research was conducted within a limited time period and focuses only on awareness of non-dilutive loans under the Pradhan Mantri Mudra Yojana, without covering other government financial schemes.

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 9.864| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

2.4 RESEARCH METHODOLOGY

In this research, the methodology focuses on examining the level of consumer awareness regarding non-dilutive MUDRA loans among shoppers under the Pradhan Mantri Mudra Yojana in India. The study primarily relies on both primary and secondary sources of data to ensure a comprehensive understanding of the research topic.

2.4.1 Research Design

This research employs a quantitative method along with a descriptive research design to investigate consumer knowledge of non-dilutive Mudra loans associated with the Pradhan Mantri Mudra Yojana (PMMY). The research is based on numerical data gathered from 112 participants via a structured survey, enabling the researcher to objectively assess and analyze the responses.

2.4.2 Area of the study

The study focuses on respondents residing in urban arcas Urban areas provide an appropriate environment to study consumer awareness regarding government financial schemes such as the Pradhan Mantri Mudra Yojana. The study aims to understand whether individuals living in urban settings are aware of the Mudra loan scheme and whether they consider it as a potential source of funding for entrepreneurial activities or small business ventures.

2.4.3 Sample Size

The respondents include individuals from different backgrounds such as students, salaried employees, aspiring entrepreneurs, and other members of the general public. The selected sample size helps in obtaining a broad understanding of consumer awareness and perceptions regarding Mudra loans. Although the sample size is limited, it provides useful insights into how individuals perceive government financial schemes and their willingness to utilize them.

2.4.4 Tools and Techniques of Analysis

These tools helped in organizing the responses, interpreting patterns, and drawing meaningful conclusions related to consumer awareness of Mudra loans. The following tools were used in the study:

1. Weighted Average Method
2. Ranking Analysis

2.5 USE OF PRIMARY AND SECONDARY DATA

Primary Data:

Primary data was collected directly from respondents through a structured questionnaire designed using Google Forms. The questionnaire included questions related to demographic details, awareness of the Mudra loan scheme, knowledge about its benefits and categories, and the perceived barriers in availing the loans.

Secondary Data:

Secondary data was collected from various reliable sources such as government publications, reports from the Reserve Bank of India (RBI), the official Mudra website, research journals, books, and academic articles related to financial inclusion and MSME financing.

2.6 USE OF ABBREVIATIONS

PMMY - Pradhan Mantri Mudra Yojana

III. DATA ANALYSIS AND INTERPRETATION

3.1WEIGHTED AVERAGE METHOD

3.1.1 Level of Awareness About PMMY

TABLE NO 3.1.1 (a)

Table showing the calculation of weighted frequency of the awareness level of respondents

S. No	Level of Awareness	Weight (w)	No. of Respondents (f)	f × w
1	High	3	10	30

S. No	Level of Awareness	Weight (w)	No. of Respondents (f)	f × w
2	Moderate	2	56	112
3	Low	1	46	46
Total			**112**	**188**

Source: Computed with Primary Data

Weighted Mean Table

Particulars	Value
Σ (f × w)	188
Σ f	112
Weighted Mean	**1.68**

INTERPRETATION

The above weighted average analysis shows the overall level of awareness about the Pradhan Mantri Mudra Yojana (PMMY) among the respondents. The calculated weighted mean score is 1.68, which indicates that the overall awareness level among respondents is moderate but leaning towards the lower side. This suggests that although a considerable number of respondents have some basic knowledge about PMMY, a significant portion still lacks adequate understanding of the scheme. It highlight the need for improved awareness initiatives, better communication by financial institutions, and enhanced financial literacy programs to ensure that more people are informed about the benefits and opportunities provided under the PMMY scheme.

3.1.2 OPINION ON MUDRA'S NON-COLLATERAL BENEFIT IN SUPPORTING BUSINESS START-UPS

TABLE NO 3.1.2 (b)
Table showing the weighted frequency of the opinion of Non Collateral benefit

S. No	Opinion	Weight (w)	No. of Respondents (f)	f × w
1	Strongly Agree	5	31	155
2	Agree	4	21	84
3	Neutral	3	49	147
4	Disagree	2	8	16
5	Strongly Disagree	1	3	3
Total			**112**	**405**

Source: Computed with Primary Data

Weighted Mean Table

Particulars	Value
Σ (f × w)	405
Σ f	112
Weighted Mean	**3.62**

INTERPRETATION

© 2026 IJMRSET | Volume 9, Issue 7, July 2026| DOI:10.15680/IJMRSET.2026.0907016

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 9.864| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

The weighted average analysis shows the respondents' opinion on whether Mudra's no-collateral benefit helps urban students and shop owners start businesses without selling assets. The weighted mean score of 3.62 indicates that respondents generally agree with the statement. A considerable number of respondents strongly agree or agree that the collateral-free nature of Mudra loans supports individuals who do not have assets to pledge as security. Although some respondents remain neutral and a few disagree, the overall response suggests that the no-collateral feature of Mudra loans is perceived as an important benefit that encourages entrepreneurship and business start-ups.

3.2 RANKING ANALYSIS

3.2.1 RANKING OF MAJOR CHALLENGES FACED WHILE APPLYING FOR A MUDRA LOAN

TABLE NO 3.2.1 (a)
Table showing the no of respondents ranking the barriers from 1- 5

Barrier	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Lack of proper awareness of the scheme	61	12	19	7	13
Complicated application procedure	4	47	35	20	6
Excessive documentation requirements	12	28	52	13	7
Delay in loan sanction	7	29	24	42	10
Lack of guidance from bank officials	20	21	15	15	41

Source: Primary Data

Table 3.2.1 (b) Table Showing the Calculation of the Rank Score of the Barriers

Barrier	Rank 1 (5)	Rank 2 (4)	Rank 3 (3)	Rank 4 (2)	Rank 5 (1)	Total Score	Final Rank
Lack of proper awareness of the scheme	305	48	57	14	13	437	1
Complicated application procedure	20	188	105	40	6	359	2
Excessive documentation requirements	60	112	156	26	7	361	3
Delay in loan sanction	35	116	72	84	10	317	5
Lack of guidance from bank officials	100	84	45	30	41	300	6

IV. FINDINGS AND SUGGESTIONS

4.1 FINDINGS
4.1.1 WEIGHTED AVERAGE METHOD

➢ The weighted mean score of 1.68 indicates moderate but relatively low awareness of PMMY, suggesting that many respondents have only basic knowledge; therefore stronger awareness campaigns and financial education programs should be implemented.

➢ The weighted mean score of 3.62 indicates overall agreement that the collateral-free benefit encourages entrepreneurship, showing that this feature strongly supports business start-ups, hence this advantage should be emphasized in policy promotion.

4.1.2 RANKING ANALYSIS

➢ "Lack of proper awareness of the scheme" ranked first with the highest score, indicating that inadequate information is the most significant barrier; therefore the government and banks must intensify awareness campaigns.

"Excessive documentation requirements" and "Complicated application procedures" received high rankings, suggesting that the process is perceived as complex; hence documentation requirements should be simplified.

- "Delay in loan sanction" was ranked lower but still significant, indicating dissatisfaction with processing time; therefore banks should improve efficiency in loan approval.
- "Lack of guidance from bank officials" ranked among the lower challenges, suggesting that some guidance exists but may not be consistent; thus banks should provide better assistance and counseling to applicants.

4.2 SUGGESTIONS

- **Increase awareness campaigns about PMMY,** as many respondents indicated lack of awareness as a major challenge; therefore, government agencies and banks should use social media, advertisements, and community outreach programs to spread information about the scheme.
- **Enhance the clarity and effectiveness of communication about PMMY**, because many respondents felt that information about the scheme is not clearly communicated; banks and government institutions should provide simple and easily understandable information.
- **Provide better guidance and support from bank officials**, as some respondents reported lack of guidance while applying for Mudra loans; trained staff should assist applicants in understanding eligibility, documentation, and application procedures.
- **Promote the key benefits of Mudra loans more effectively**, especially the collateral-free feature, which was identified as the most appealing benefit; highlighting these advantages can encourage more individuals to apply.

V. CONCLUSION AND FUTURE DIRECTION OF STUDY

5.1 CONCLUSION

This paper established the critical need for a structured research approach to evaluate consumer awareness of non-dilutive Mudra loans under PMMY. While the scheme offers vital capital without equity dilution, its potential is limited by information asymmetries and marketability failures similar to those seen in energy and sustainability sectors. By adopting the proposed framework—grounded in rigorous quantitative assessment and behavioral analysis—researchers can uncover the specific gaps hindering adoption. Ultimately, cnhancing awareness is not merely a marketing exercise but a necessary step toward the financial inclusion of the nation's vast network of shopkeepers and micro-entrepreneurs.

5.2 FUTURE DIRECTION OF STUDY

- Expand the sample size and geographical coverage:
- Conduct comparative studies among demographic groups
- Study the effectiveness of awareness programs
- Investigate operational challenges in the loan process
- Explore the impact of digital banking and fintech solutions

REFERENCES

JOURNAL ARTICLES

- Rathee, R., & Aggarwal, S. (2025). Women's empowerment through microcredit access under the Pradhan Mantri Mudra Yojana.
- Govindasamy, P., & Nagarajan, R. (2025). Government initiatives and awareness campaigns for the Pradhan Mantri Mudra Yojana in India.

OFFICIAL REPORTS AND WEBSITE

- Ministry of Finance, Government of India. (2024). Pradhan Mantri Mudra Yojana (PMMY) annual report. New Delhi: Department of Financial Services.
- NITI Aayog. (2024). Impact assessment of Pradhan Mantri Mudra Yojana (PMMY). New Delhi: Government of India.
- Government of India, Department of Financial Services. (2025). Ten years of Pradhan Mantri Mudra Yojana: Progress and achievements. New Delhi: Ministry of Finance.

WEBSITE LINKS

- Micro Units Development and Refinance Agency Ltd. (MUDRA). (2024). Pradhan Mantri Mudra Yojana — Official Website. https://www.mudra.org.in
- Transforming India — Government of India. (2024). Pradhan Mantri Mudra Yojana Scheme Details. https:/transformingindia.mygov.in/scheme/mudra/
- Government Schemes Portal. (2025). Pradhan Mantri Mudra Yojana — Features and Eligibility. https://www.govtschemes.in/pradhan-mantri-mudra-yojanapmmy

INNO SPACE
SJIF Scientific Journal Impact Factor

INTERNATIONAL STANDARD SERIAL NUMBER INDIA

निस्केयर NISCAIR

INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY