

ANALYSIS ON PMMY SCHEME FOR ACHIEVING WOMEN ENTREPRENEURSHIP

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Abstract

In today's world, women entrepreneurs are playing vital role and they have become important part of the global business environment. women entrepreneurship has witnessed a rapid growth over the past 30 years. The main purpose of this paper is to analyse the different problems and challenges of women entrepreneurs and also to understand the factors that contribute to the success of women entrepreneurs. Participation of women in entrepreneurial activities is really important for the sustained economic development and social progress. In India, though women are playing key role in the society, but still their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. The main purpose of this paper is to find out the status of women entrepreneurs in India. The study also analyses that there are many factors that contributes for women as successful entrepreneurs. Furthermore, Pradhan Mantri Mudra Yojna (PMMY) is considered pivotal in this regard, providing special attention to extend credit to women entrepreneurs. Therefore, this descriptive study is an attempt to observe gender-wise entrepreneurship generated under the aegis of MUDRA scheme in different loan categories on the basis of number of accounts, beneficiaries and amount sanctioned. Further, the study found that the total number of women account beneficiaries increased substantially; however, at a decreasing rate in the given financial years and 70% of the total loan borrowers are women since the inception of the scheme and majority of these accounts are opened under Shishu scheme. Further, the study found that the share of amount sanctioned was higher in FY 2015-16 for women than the men counterparts, which gradually declined in the subsequent financial years. The results suggest micro-credit through Mudra Yojana encourages female entrepreneurship, raises earnings and employability, and thereby empowers them financially, socially, psychologically and in the political arena. The findings of these studies reinforce the fact women could be "active agents of change" and play an important role in both the family and society.

KEYWORDS: Women Entrepreneurship, PMMY, Reasons for entrepreneurship, Government initiatives, Gender and Entrepreneurship, Women Empowerment, Mudra loan, Urban area.

INTRODUCTION

The Pradhan Mantri Mudra Yojana (PMMY) is a government scheme that provides loans to women entrepreneurs to start or grow their businesses. The scheme offers financial assistance of up to Rs. 10 lakhs to non-corporate, non-farm micro and small enterprises. Pradhan Mantri MUDRA Yojana (PMMY) provides loans up to 10 lakhs to the non-corporate, non-farm small/micro enterprises. The scheme facilitates micro credit/Loan up to Rs. 10 lakhs to income generating micro enterprises engaged in the non-farm sector in manufacturing, trading or service sectors including activities allied to agriculture such as poultry, dairy, beekeeping, etc. The entrepreneurial spirit exists in all humans irrespective of gender and economic growth of a country would remain uneven without involvement of women in the entrepreneurial activities, as they constitute almost half the population and the realm of entrepreneurship is not at all confined to any specific gender (Cabrera and MAURICIO, 2017). Further, women entrepreneurs chase their altruistic commitment towards society and they strongly consider their emerging enterprises concepts would contribute to the economic, community development and generate various new job opportunities.

OBJECTIVES OF THE STUDY

1. To ascertain the performance of women entrepreneur 's.
2. To study the problems in starting and running women entrepreneurship.
3. To suggest different remedial measures to help and accelerate women entrepreneurs to run their business.
4. To study the method by which women entrepreneurs are raising funds.
5. To study whether adequate promotional schemes are offered by government for women entrepreneurs
6. To explore various factors encouraging women to take up entrepreneurship
7. To study the government initiatives to boost women entrepreneurship
8. To examine the obstacles faced by women entrepreneurs
9. To depict the current status of women entrepreneurship in India
10. To draw conclusions and give suggestions
11. To research the Mudra Yojana and its initiatives to promote women's entrepreneurship.
12. To assess the mudra Yojana's components that benefit women the most.
13. To assess the role of Mudra loan in promoting entrepreneurship among the women living in the Delhi-NCR region.
14. To examine the impact of Mudra loan on different indicators of women empowerment.

OBJECTIVES OF THE STUDY

1. To know the aware of Women Entrepreneurship
2. To know The Pradhan Mantri Mudra Yojana (PMMY) helps to Women Entrepreneurship
3. To find the improvement level of Women Entrepreneurship

SCOPE OF THE STUDY

1. The data can be collected from different parts of the country and comparative analysis can be undertaken between rural and urban women in order to see the differences in their level of empowerment and entrepreneurial choices.
2. Study research can also be undertaken which would include the journey of women entrepreneurs from different region of India to draw a comparison of their choices of business, role of the MUDRA loan in their lives, challenges faced by them in procuring the MUDRA loan and their empowerment levels.

RESEARCH METHODOLOGY

The study is empirical research based in the survey method which uses secondary data. A survey is conducted among the female beneficiaries of Mudra loan, residing in the Delhi-NCR region. We contacted several banks to obtain authentic details of their female customers who have

procured Mudra loan from them. The data related to the Mudra loan clientele was provided by the UCO Bank, New Delhi branch. Therefore, UCO bank has served as the authentic source for data collection. A wide range of questions related to them household matters, freedom in mobility, involvement in decision making, etc. are asked to gauge the impact of the Pradhan Mantri Mudra Scheme on women empowerment.

STATEMENT OF THE PROBLEM

The major problem faced by the women entrepreneurs are:

The Traditional mind-set that setting up businesses is still perceived to be a man's domain. Women are expected to spend more time with their family members and do not encourage them to travel extensively for exploiting business opportunities. Banks and financial institutions hesitate to provide financial assistance to women as they are unsure as to who will repay the loan. Women entrepreneurs are not generally aware of the subsidies and incentives available for them, this prevents them from availing special schemes.

SIGNIFICANCE OF THE STUDY

1. Women entrepreneurs have the potential to contribute towards innovation, job creation and economic growth. In connection with our research, we will try to find out the concept of women entrepreneurship.
2. It will help to understand the role of women entrepreneurs and to analyse their contribution in developing their business.
3. This study also throws a light on the obstacles faced by women entrepreneurs and to further measure their performance and suggest remedial measures.

ADVANTAGES OF MUDRA LOANS FOR WOMEN ENTREPRENEURS

Lower Interest Rates and Customized Schemes:

1. Mudra loans often come with lower interest rates compared to traditional financing options. This makes borrowing more affordable for women entrepreneurs, reducing the financial burden associated with starting or expanding a business.
2. Schemes under Mudra are tailored to the unique needs of women, recognizing their varied entrepreneurial pursuits, from micro-enterprises to larger ventures. These customized schemes ensure that women have access to financial resources that align with their business goals.

Financial Inclusion:

Mudra loans play a pivotal role in bridging the gender gap in entrepreneurship. By providing women with access to formal financial institutions, these loans promote financial inclusion, allowing women to build credit histories and strengthen their financial profiles.

Empowering Entrepreneurship:

By facilitating easy access to capital, Mudra loans empower women to pursue diverse business opportunities. Whether it's starting a small-scale manufacturing unit, launching a boutique, or venturing into agri-business, these loans enable women to translate their entrepreneurial visions into reality.

Job Creation:

With the support of Mudra loans, women entrepreneurs are creating job opportunities for themselves as well as others. This job creation is also aiding the local communities, contributing to economic development.

Economic Growth:

The gender-inclusive approach of Mudra loans help unleash the full potential of India's female workforce, which, in turn, fuels economic growth. Women-led businesses contribute significantly to GDP and bolster the nation's entrepreneurial ecosystem.

Gender Equality:

Mudra loans represent a significant step towards gender equality in entrepreneurship, challenging traditional stereotypes and promoting women as capable and successful business leaders.

LIMITATIONS OF THE STUDY

1. Area of the study is limited data.
2. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations.
3. The reluctance to provide genuine information can affect the validity of their response.
4. The study includes data of female clients of Mudra Yojana residing specifically in the Delhi-NCR region. So, the type of entrepreneurial activity taken up by rural women using mudra loan could be quite different from the businesses taken up by urban women.
5. Finally high production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

A GUIDE TO GOVERNMENT LOAN SCHEMES FOR WOMEN IN INDIA

- The **Pradhan Mantri Mudra Yojana (PMMY)**, which Prime Minister Modi launched in April 2015 to promote entrepreneurship through micro-credit access, has reported that women entrepreneurs have received the majority of loans since the scheme's inception.
- **Modi Scheme for Women Loans**
- The Micro Units Development and Refinance Agency (MUDRA) Loan Scheme under PMMY, or [Pradhan Mantri Mudra Yojana](#), is a government initiative that provides loans to individuals and MSMEs through banks and NBFCs.
- MUDRA Yojana is available in three loan schemes: Shishu, Kishor, and Tarun. Loans under the Mudra scheme are collateral/security-free loans made available by financial institutions with repayment terms ranging from 12 months to 5 years and flexible EMIs.
- Individuals, MSMEs, enterprises, or businesses engaged in manufacturing, trading, or providing services are the only ones who can benefit from the Mudra loan for women.

GOVERNMENT WOMEN LOAN SCHEMES OFFERED UNDER MUDRA YOJANA

Women's business loans from the government of India are classified into three schemes, Shishu, Kishor, and Tarun, under the Pradhan Mantri Loan Yojana (PMMY). Each loan scheme's loan amount is listed below:

- **SHISHU Loan:** The Mudra Shishu Loan scheme provides loans of up to Rs. 50,000 (for start-ups and new businesses).
- **KISHOR Loan:** Loans ranging from Rs. 50,001 to Rs. 5,00,000 are available under the Kishor Loan Scheme (for the purchase of raw materials, equipment/machinery, and business expansion for existing businesses).
- **TARUN Loan:** The Tarun Loan Scheme provides loans ranging from Rs. 500,001 to Rs. 10,00,000 (for established businesses and enterprises).

MUDRA FUNDING DOCUMENTS NEEDED

- Completed application with passport-sized photos
- Applicant and co-applicants' KYC documents: Passport, voter identification card, Aadhar card, driving licence, PAN card, utility bills (water/electricity bills)
- Proof of membership in a special category, such as SC, ST, OBC, Minority, and so on (if applicable)
- Bank statement for the previous six months
- Proof of business address and tenure, if applicable
- Any other documents that the bank may require

REVIEW OF LITERATURE

L. Hashemi et al. (1996) study the level of women empowerment in six villages of Bangladesh during 1991-1994. Various indicators — for instance, ability to make purchases, economic security, comparative freedom from family domination, mobility, level of participation in political

protests and campaigns, involvement in family decisions, and legal and political awareness — are employed to measure the level of women empowerment. The analysis reflects that non-availability of employment is the real reason behind the low level of economic participation of women. On the other hand, easy facilitation of microcredit through Grameen banks and BRAC banks has supported women to become self-employed. Despite low earnings now, women exercise better control on their earnings. They enjoy liberty and can purchase household things on their own. As a whole, they have earned respect from their family members. Furthermore, micro-lending programmes have played a significant role in reducing family violence against women.

Amin et al. (1998) investigates the role of microcredit on the empowerment of women residing in rural areas of Bangladesh. In the study, women empowerment is measured through three constructs i.e., authority index, inter-spouse consultation index and autonomy index. The results indicate a strong positive association between women empowerment indices and NGO micro-financing programmes, which generally stems from the active involvement of poor women in such programmes.

Wiklander (2010) tries to find determinants of women empowerment and existence of gender-related issues within the rural households of Uttar Pradesh and Tamil Nadu states in India. The study highlights that, in Uttar Pradesh, women empowerment is explained by the education level of both men and women, age, district and village they belong to a while, in Tamil Nadu, women empowerment is determined by the traditional ideas of age at the time of marriage, number of sons in the family, etc. Affiliation to scheduled castes and religious differences also have something to do with the concept of women empowerment. Keeping in view the differences in the determinants of women empowerment in two different states of India, it was concluded that no single model can fit all.

Handy et al. (2004) examine the impact of Chinmaya Rural Training Centre (CRTC), an NGO, located in foothills of Himalaya, on women empowerment. The study aims to identify if the employees of the NGO are themselves empowered, as they take the responsibility to empower their clients. The women empowerment index constructed by Amin et al. (1998) is referred to in the study with an additional component called the political autonomy index. To measure the level of women empowerment, data is collected from the NGO employees such as fieldworkers and supervisors who establish direct contact with the beneficiaries of the NGO. The findings highlighted that empowerment depends on the level of education attained and number of years served at the job, while age, income level and family structure are found to be insignificant. Moreover, the women who are now working in the NGO were the beneficiaries of the same NGO some years ago and today they are ranked considerably high on the empowerment.

CONCLUSION

India is a male dominated society and women are assumed to be economically as well as socially dependent on male members. Women entrepreneurs faced lots of problems like lack of education, social barriers, legal formalities, high cost of production, male dominated society, limited managerial ability, lack of self-confidence etc. Various factors like pull and push factors influencing women entrepreneurs. Successful leading business women in India. The study also analyses that there are many factors that contributes to the growth of female entrepreneurs. Among them level of education, Occupational experience, Managerial skills, Support from family, Strong social ties and internal motivation are the most significant factors that contribute to the success of women entrepreneurs.

The government is assisting women entrepreneurs by providing financial and other supports such as counselling, training, and skill development; however, more needs to be done, such as reserving specific businesses for women only and allocating a certain percentage of mudra loans to women entrepreneurs. Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges

global markets. Promoting entrepreneurship among Indian women is certainly a short-cut to rapid economic growth and development.

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