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PMMY SCHEME FOR ACHIEVING WOMEN ENTREPRENEURSHIP

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Abstract

In the words of Swami Vivekananda, 'There is no chance for the welfare of the world unless the condition for women is improved'. The role of women in entrepreneurship has gained increased attention globally, with women emerging as significant contributors to economic growth through start-ups and business ventures. However, despite their potential, women entrepreneurs face unique challenges that hinder their progress, including limited access to capital, lack of financial literacy, and social constraints. To support women in their entrepreneurial journeys, various government schemes have been introduced, including the Trade Related Entrepreneurship Assistance and Development (TREAD), Support to Training and Employment Program for Women (STEP), Stand-Up India and Pradhan Mantri Mudra Yojana (PMMY), which aims to enhance financial inclusion and empowerment of women entrepreneurs. In the context of PMMY loans program serves both literate and illiterate borrowers, aiming to enhance financial inclusion and entrepreneurship in India, especially among underserved groups like women. By providing collateral-free loans, PMMY has opened avenues for women who would traditionally face challenges in obtaining formal credit.

KEYWORDS: Pradhan Mantri Mudra Yojana (PMMY), Financial Inclusion, Women Entrepreneurs, Social Constraints, Government Schemes.

INTRODUCTION:

Women entrepreneurship has emerged as a critical component in driving economic growth and fostering social equity, particularly in developing nations. Empowering women entrepreneurs can catalyze improvements in household income, regional development, and gender equality, creating broader socio-economic benefits. However, women in India face various challenges, including limited access to financial resources, inadequate business networks, and insufficient financial literacy, all of which limit their entrepreneurial potential. The Pradhan Mantri Mudra Yojana (PMMY) scheme, introduced by the Government of India in 2015, seeks to address some of these obstacles by providing collateral-free loans to micro and small enterprises.

PMMY's targeted financial support plays a significant role in promoting women entrepreneurship by enabling easier access to credit for women-led enterprises. This scheme focuses on enhancing financial inclusion and economic participation among women by making funds accessible to small business owners and aspiring entrepreneurs who would otherwise

struggle to secure traditional financing. With the introduction of three types of loans under PMMY—Shishu, Kishor, and Tarun—women entrepreneurs can receive tailored financial support based on their business growth stage and financial needs.

Despite these benefits, there remain considerable gaps in the PMMY's effectiveness for women. Issues such as limited awareness of the scheme, challenges related to loan size and repayment, and financial literacy gaps among potential women entrepreneurs continue to hinder its impact. Understanding the extent of these challenges is essential to evaluate the scheme's true role in advancing women's economic participation in India.

LITERATURE REVIEW:

Brush et al., (2009) Women entrepreneurship is increasingly recognized as a significant driver of economic growth and social development, especially in developing countries like India. Studies suggest that supporting women entrepreneurs can lead to substantial improvements in household income, employment generation, and poverty reduction.

Government of India, (2015) The Pradhan Mantri Mudra Yojana (PMMY), launched in 2015, addresses these barriers by offering collateral-free loans to micro and small enterprises. PMMY loans are classified into three categories—Shishu, Kishor, and Tarun—based on the stage and size of the business, allowing women entrepreneurs to access financing tailored to their needs.

Kumar & Prasad (2018) argue that PMMY plays a crucial role in bridging gender disparities in entrepreneurship. By offering financial products specifically designed for women-led micro and small businesses, PMMY has contributed to more equitable access to entrepreneurial opportunities. Their study suggests that the scheme has led to increased representation of women in the informal business sector, which positively impacts social perceptions of women entrepreneurs.

Narayan et al., (2018) Research indicates that schemes like PMMY can promote financial inclusion by reducing dependency on informal lending and by encouraging institutional financing.

Agarwal & Srivastava (2019) found that PMMY has been instrumental in promoting financial inclusion for women entrepreneurs by providing collateral-free loans. By reducing dependency on informal lenders, PMMY has allowed women to access institutional financing and engage in business ventures with fewer financial constraints. This study suggests that PMMY has fostered a culture of entrepreneurship, especially among first-time women entrepreneurs in semi-urban and rural regions.

Sharma et al. (2019) highlighted the benefits of PMMY loans in facilitating market access for women entrepreneurs. Access to formal credit allowed women to improve product quality and expand distribution networks, enabling them to reach larger markets. This study emphasizes that PMMY not only aids in financial inclusion but also helps women-led businesses compete more effectively in regional markets.

Gupta & Saxena (2020) explored the socio-economic impacts of PMMY on rural women entrepreneurs, finding that access to Mudra loans has allowed women to start and expand small businesses in agriculture and retail. This has improved household income levels and enabled women to contribute to local economies, enhancing their status in rural communities. The study underscores the scheme's potential to empower rural women through economic participation.

Joshi & Mukherjee (2020) investigated the sustainability of enterprises established under PMMY by women entrepreneurs. They found that while PMMY funds often aid in the initial setup, many businesses struggle with long-term financial sustainability due to limited business training and market challenges. The study recommends integrating business management training and mentorship programs with PMMY to enhance enterprise survival and growth.

Patel & Sharma (2021) examined barriers women face in fully utilizing PMMY loans. They noted that although the scheme provides financial support, many women struggle with procedural complexities and lack of financial literacy, which limits the optimal use of these funds. The study recommends targeted financial literacy programs to help women understand

loan management and repayment, which would improve the scheme's effectiveness.

Rao & Menon (2021) analyzed the role of PMMY in supporting women-led startups in various sectors, including technology, education, and retail. They found that PMMY loans have helped women overcome initial financial barriers, allowing them to bring innovative business ideas to life. This study highlights that PMMY can support women-led startups and drive innovation if complemented with additional support such as training and networking opportunities.

As a result, while PMMY holds promise for empowering women entrepreneurs, further efforts are needed to address these challenges to ensure equitable access and sustainable growth for women-led businesses.

OBJECTIVES:

1. To analyse the role of the Pradhan Mantri Mudra Yojana (PMMY) scheme in promoting women entrepreneurship.
2. To assess the impact of PMMY on the financial inclusion of women entrepreneurs.
3. To explore the awareness and utilization of PMMY among aspiring women entrepreneurs.

SCOPE OF THE STUDY:

The scope of this study is to analyse the impact of the Pradhan Mantri Mudra Yojana (PMMY) scheme on women entrepreneurship in India, focusing on financial inclusion, awareness and challenges faced by women. Using data from 2019-20 to 2023-24, this study examines the PMMY's contributions to women entrepreneurship and evaluate the adequacy of financial support through PMMY.

LIMITATIONS OF THE STUDY:

The study is limited by its reliance on secondary data that may not reflect the latest on-ground realities or recent developments in the scheme, absence of primary data from beneficiaries, and the inability to capture detailed regional and individual perspectives. These limitations highlight areas for future research to provide a more comprehensive view of PMMY's role in empowering women entrepreneurs.

RESEARCH METHODOLOGY:

This study utilizes a descriptive and analytical research methodology to evaluate the effectiveness of the Pradhan Mantri Mudra Yojana (PMMY) scheme in promoting women entrepreneurship in India. The primary source of data for this study is secondary data obtained from the official PMMY website, which provides detailed information on loan disbursements, borrower demographics, and sectoral distribution of loans.

COMPONENTS:

The PMMY has three main components:

- **Shishu:** This category covers loans up to Rs. 50,000.
- **Kishore:** This category covers loans above Rs. 50,000 and up to Rs. 5 lakhs.
- **Tarun:** This category covers loans above Rs. 5 lakhs and up to Rs. 10 lakhs.
- Now the new category was added that is,
- **Tarun Plus (Effective from October 24, 2024):** This category covers loans above Rs. 10 lakhs and up to Rs. 20 lakhs.

DATA ANALYSIS:

The analysis involves both quantitative and qualitative approaches. Below mentioned data is extracted from the annual report of PMMY official website and only women beneficiary's data is used for the analysis purpose.

TABLE 1: Overall Performance

WOMEN ENTREPRENEURS								
Category / Years	SHISHU		KISHORE		TARUN		TOTAL	
	No. of A/Cs	Sanctioned Amt. (Rs. in	No. of A/Cs	Sanctioned Amt. (Rs. in	No. of A/Cs	Sanctioned Amt. (Rs. in	No. of A/Cs	Sanctioned Amt. (Rs. in

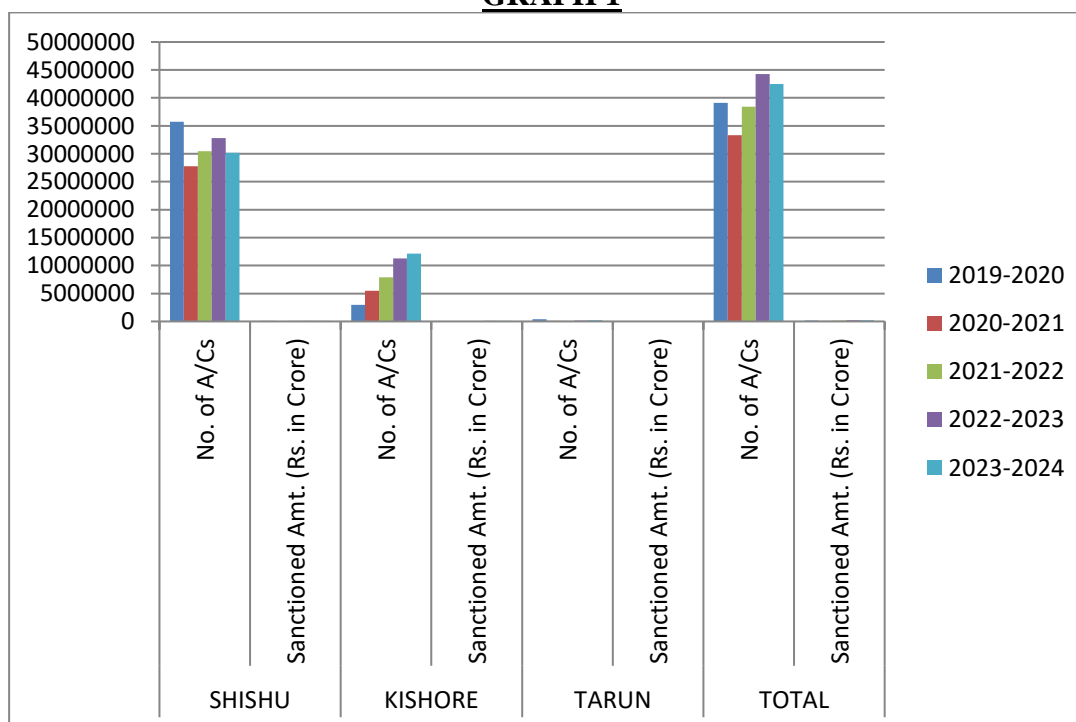
		Crore)		Crore)		Crore)		Crore)
2019-2020	35717217	109659.78	2988307	26476.69	397825	9045.4	3910334 9	145181.87
2020-2021	27753288	74490.46	5468211	50730.64	82105	6082.24	3330360 4	131303.35
2021-2022	30441921	89621.66	7892778	70027.9	94560	6772.91	3842925 9	166422.47
2022-2023	32817496	112856.7	1128567 2	92756.54	153645	11340.92	4425681 3	216954.16
2023-2024	30193055	109355.45	1210459 1	102677.87	194635	13853.76	4249228 1	225887.08

SOURCE: Mudra Yojana (Annual Reports)

The above mentioned data is presented for financial years from 2019-2020 to 2023-2024. The chart shows the number of accounts (A/Cs) and the sanctioned amount (in Crores) for different schemes (Shishu, Kishore, Tarun) and for the total of all schemes. It appears the sanctioned amount has generally been increasing across the schemes. There is an increase in the number of beneficiaries and number of accounts opened under this scheme from year to year. This create a positive environment for women's development in sense of being an entrepreneur and being financially independent.

The data is represented graphically below to give us a clear picture about the different categories of number of accounts and the total amount of money sanctioned.

GRAPH 1



According to the above graph, the number of women account holder is fluctuating year on year, decreasing from 3,57,17,217 in 2019-20 to 3,01,93,055 in 2023-24 under the Shishu scheme. Under the Kishore scheme, the number of accounts opened is rising from 29,88,307 in 2019-20 to 1,21,04,591 in 2023-24. Under the Tarun scheme, the number of beneficiaries has decreased from 3,97,825 in 2019-20 to 1,94,635 in 2023-24.

Hence, there is a fluctuating growth rate from 2019 to 2024 in Shishu and Tarun category, and a positive growth rate in Kishore category. From the above mentioned data and graph, it is very clear that the number of accounts opened and sanctioned amount is greater in the Shishu category of loans than in the Kishore and Tarun category of loans.

TABLE 2: SHISHU Category

SHISHU										
Year/ Category	2019-20		2020-21		2021-22		2022-23		2023-24	
	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount
Total (General, SC, ST, OBC)	5449061 7	163559	40180115	109953	41721154	124747.37	4307785 1	141609.85	4162830 9	147784.6 8
Women	3571721 7	109660	27753288	74490	30441921	89621.66	3281749 6	112228.35	3019305 5	108472.5 1

SOURCE: Mudra Yojana (Annual Reports)

The above table presents SHISHU data from 2019-20 to 2023-24, showing the number of accounts and amounts for total beneficiaries (including General, SC, ST, OBC categories) and women beneficiaries. Here's a summary of the key points:

- Total Accounts:
 - Peaked in 2019-20 at 5,44,90,617
 - Decreased significantly in 2020-21 to 4,01,80,115
 - Gradually increased in subsequent years, reaching 4,16,28,309 in 2023-24
- Total Amount:
 - Started at ₹1,63,559 crore in 2019-20
 - Dropped to ₹1,09,953 crore in 2020-21
 - Steadily increased thereafter, reaching ₹1,47,784.68 crore in 2023-24
- Women's Participation:
 - Women's accounts consistently represent about 65-72% of total accounts
 - Women's amount share ranges from 67-79% of the total amount
- Trends:
 - Both total and women's accounts show a similar pattern: sharp decline in 2020-21, followed by gradual recovery
 - The amount disbursed shows a more consistent upward trend since 2020-21, despite fluctuations in account numbers
- Recent Years:
 - 2023-24 shows a slight decrease in account numbers but an increase in amount disbursed compared to 2022-23
- This data suggests that while the SHISHU scheme faced challenges (possibly due to the COVID-19 pandemic) in 2020-21, it has since shown resilience and growth, particularly in terms of the amount of financial support provided.

TABLE 3: KISHORE Category

KISHORE										
Year/ Category	2019-20		2020-21		2021-22		2022-23		2023-24	
	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount
Total (General, SC, ST, OBC)	6471873	95578	9486160	132516	1108820 6	137644.38	17915912	200936.63	23630890	257094.50
Women	2988307	26477	5468211	50731	7892778	70027.90	11285672	91691.19	12104591	100370.49

SOURCE: Mudra Yojana (Annual Reports)

The above table presents data for the KISHORE category of loans from 2019-20 to 2023-24, showing the number of accounts and amounts for total beneficiaries (including General, SC, ST, OBC categories) and women beneficiaries. Here's a summary of the key points:

- Total Accounts:
 - Increased significantly year-over-year, from 64,71,873 in 2019-20 to 2,36,30,890 in 2023-24

- Most substantial growth observed between 2022-23 and 2023-24
1. Total Amount:
 - Grew consistently from ₹95,578 crore in 2019-20 to ₹2,57,094.5 crore in 2023-24
 - Largest increase seen between 2022-23 and 2023-24
 2. Women's Participation:
 - Women's accounts increased from 29,88,307 in 2019-20 to 1,21,04,591 in 2023-24
 - Women's share of total accounts fluctuated between 46-71% over the years
 - Amount disbursed to women grew from ₹26,477 crore to ₹1,00,370.49 crore
 3. Trends:
 - Both total and women's accounts show consistent growth year-over-year
 - The amount disbursed also shows a steady upward trend for both total and women beneficiaries
 4. Recent Years:
 - 2023-24 shows substantial growth in both account numbers and amount disbursed compared to previous years

This data suggests that the KISHORE loan category has experienced significant expansion over the five-year period, with a notable increase in both the number of beneficiaries and the amount of financial support provided. The scheme appears to have a strong focus on women's participation, as evidenced by the growing number of women beneficiaries and the increasing amounts allocated to them.

TABLE 4: TARUN Category

Year/ Category	TARUN									
	2019-20		2020-21		2021-22		2022-23		2023-24	
	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount
Total (General, SC, ST, OBC)	1285116	78359	1068771	79290	986166	76718.61	1316835	107877.1 8	1517814	127479.1 7
Women	397825	9045	82105	6082	94560	6772.91	153645	11340.92	194635	13454.27

SOURCE: Mudra Yojana (Annual Reports)

This table presents data for the TARUN category of loans from 2019-20 to 2023-24, showing the number of accounts and amounts for total beneficiaries (including General, SC, ST, OBC categories) and women beneficiaries. Here's a summary of the key points:

1. Total Accounts:
 - Decreased from 12,85,116 in 2019-20 to 9,86,166 in 2021-22
 - Showed recovery in recent years, reaching 15,17,814 in 2023-24
2. Total Amount:
 - Remained relatively stable from 2019-20 to 2021-22 (around ₹76,000-79,000 crore)
 - Significant increase in 2022-23 and 2023-24, reaching ₹1,27,479.17 crore in 2023-24
3. Women's Participation:
 - Women's accounts decreased sharply from 3,97,825 in 2019-20 to 82,105 in 2020-21
 - Gradual increase thereafter, reaching 1,94,635 in 2023-24
 - Women's share of total accounts dropped from 30.9% in 2019-20 to 12.8% in 2023-24
4. Amount Disbursed to Women:
 - Decreased from ₹9,045 crore in 2019-20 to ₹6,082 crore in 2020-21
 - Steady increase thereafter, reaching ₹13,454.27 crore in 2023-24

5. Trends:

- Total accounts show a U-shaped trend: initial decline followed by recovery
- Total amount disbursed shows overall growth, especially in the last two years
- Women's participation shows recovery but hasn't reached the 2019-20 levels

6. Recent Years:

- 2022-23 and 2023-24 show significant growth in both account numbers and amount disbursed for total beneficiaries
- Women's participation also shows improvement in these years, but at a slower rate compared to overall growth

This data suggests that while the TARUN loan category faced challenges in the early years of the period (possibly due to external factors like the COVID-19 pandemic), it has shown strong recovery and growth in recent years. However, the proportion of women beneficiaries has decreased compared to the initial year, indicating a potential area for improvement in terms of gender inclusivity in this loan category.

TABLE 5: Women Beneficiaries Growth Rate

Year	Growth Rate
2019-20	68%
2020-21	68%
2021-22	68%
2022-23	68.62%
2023-24	69%

SOURCE: Mudra Yojana (Annual Reports)

The above table presents the Women Beneficiaries Growth Rate from 2019-20 to 2023-24. Here's a summary of the key points:

1. Consistency:

- The growth rate remained steady at 68% for three consecutive years from 2019-20 to 2021-22.

2. Recent Increase:

- In 2022-23, there was a slight increase to 68.62%.
- The growth rate further improved to 69% in 2023-24.

3. Overall Trend:

- The data shows a generally stable trend with a small but positive increase in recent years.

4. Marginal Improvement:

- Over the five-year period, there's a total increase of 1 percentage point, from 68% to 69%.

5. Implications:

- The consistent growth rate suggests a steady participation of women entrepreneurs.
- The recent uptick, although small, may indicate a positive trend in women's entrepreneurship.

This data indicates that women's participation in entrepreneurship has been consistently strong, with a slight improvement in the last two years. The stability and recent growth, albeit modest, could reflect on-going efforts to support and encourage women entrepreneurs in the business ecosystem.

KEY FINDINGS:

- Over the period from 2019 to 2024, there has been a fluctuating growth rate in Shishu and Tarun category, and a positive growth rate in Kishore category.

- Lack of market information, Male dominated society, Bank formalities and complex procedure are the reasons for fluctuation.
- The PMMY scheme faced challenges in the early years of the period (possibly due to external factors like the COVID-19 pandemic), it has shown strong recovery and growth in recent years.
- The ‘Shishu’ loan category, which supports micro-level start-ups, remains the most accessed by women, reflecting the scheme’s relevance to smaller, early-stage business.
- Awareness of PMMY has increased, but knowledge gaps remain, especially in rural areas, highlighting the need for targeted awareness campaigns.

SUGGESTION:

I recommend from my findings from 2019 to 2024 point to opportunities for policy improvements, such as offering customized financial literacy programs, increasing the loan size, and improving awareness campaigns in underserved regions. Addressing these areas can enhance the scheme’s effectiveness in empowering women entrepreneurs.

CONCLUSION:

Awareness of the PMMY scheme has increased among women entrepreneurs over recent years. However, knowledge gaps still exist, particularly in rural areas and among first-time entrepreneurs. Many women remain unaware of the loan’s structure and benefits, which limits broader scheme utilization and highlights the need for targeted awareness campaigns. In conclusion, Government have to take some more efforts to maintaining the continuous increasing level.

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