

Analytical Study of Pmmy Loans Women Entrepreneures in India

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Abstract:

Women are the approximately 50% of Indian population. They are not involved for as many as in business activities. PMMY is the scheme introduced in India to funding of unfunded people. They are not involved in formal financial system in India. Therefore. This scheme has vision to promote women entrepreneurs through funding from formal system at reasonable cost. The present paper intends to study various schemes of PMMY loans to women entrepreneurs.

Keywords: women entrepreneurs, PMMY loans, financial inclusion etc.

Introduction:

Women constitute nearly half of India's population, yet their participation in entrepreneurial and business activities remains comparatively low. Social, cultural, educational, and financial constraints have traditionally limited women's access to economic opportunities, particularly in the formal sector. One of the major challenges faced by aspiring women entrepreneurs is inadequate access to institutional finance, as many of them operate in the unorganized sector and lack collateral, credit history, or formal documentation. As a result, they often depend on informal sources of finance, which are costly and unreliable, thereby restricting the growth and sustainability of their enterprises.

In order to address the issue of financial exclusion and to promote self-employment and entrepreneurship, the Government of India launched the Pradhan Mantri Mudra Yojana (PMMY). The scheme aims at "funding the unfunded" by providing collateral-free loans to micro and small entrepreneurs through formal financial institutions. PMMY offers loans under different categories such as Shishu, Kishore, and Tarun, catering to enterprises at various stages of growth. A significant focus of the scheme is on encouraging women entrepreneurship by improving their access to affordable credit and integrating them into the formal financial system.

PMMY plays a crucial role in empowering women economically by enabling them to start, expand, and sustain their business ventures. By facilitating access to institutional finance, the scheme not only promotes financial inclusion but also contributes to employment generation, poverty reduction, and inclusive economic development. Against this background, the present study undertakes an analytical examination of PMMY loans with special reference to women entrepreneurs in India, highlighting the scope, significance, and impact of the scheme in fostering women-led enterprises.

Objectives of the Study:

1. To understand about women entrepreneurs in India
2. To study the schemes of PMMY loans in India

3. To examine the level of funding and its growth rate of PMMY loans
4. To compare scheme wise loans across years

Scope and Methodology

The study covers a period from 2015-16 to 2022 -23. The data required for the study is collected from the secondary sources such as Reports of RBI and PMMY annual reports of the respective years. The data is analysed with the help of simple statistical tools of mean and standard deviation etc.

Data Analysis and Interpretation:

Table -1: Table showing growth rate of PMMY loans to women entrepreneurs in Shishu Scheme

Year	No of A/Cs	Growth Rate in %	Amount Sanctioned (Cr)	Growth Rate in %	Amount Disbursed (Cr)	Growth Rate in %
2015-2016	27103118	----	69038.97	-----	50640.02	-----
2016-2017	28472344	5.05%	66997.91	-2.96%	66185.86	30.70%
2017-2018	32144132	12.90%	80371.59	19.96%	78921.72	19.24%
2018-2019	33403579	3.92%	96253.15	19.76%	93977	19.08%
2019-2020	35717217	6.93%	109659.78	13.93%	109222.18	16.22%
2020-2021	27753288	-22.30%	74490.46	-32.07%	73872.15	-32.37%
2021-2022	30441921	9.69%	89621.66	20.31%	89233.92	20.80%
2022-2023	32817496	7.80%	112856.7	25.93%	112228.35	25.77%
Total	247853095	0.24	699290.22	0.65	674281.2	0.99
Average	30981636.88	0.03	87411.2775	0.08	84285.15	0.12
S D	3048800.361	0.12	17713.1181	0.20	21104.75977	0.21

(Source: compiled from annual report of PMMY (RBI)

The data indicates that PMMY loans showed steady growth in the number of accounts and loan amounts from 2015–16 to 2019–20, reflecting increasing outreach and acceptance of the scheme among entrepreneurs, including women. A sharp decline occurred in 2020–21 due to the COVID-19 pandemic, which adversely affected lending and entrepreneurial activities. However, the scheme recovered strongly from 2021–22 onwards, with significant growth in both amount sanctioned and disbursed by 2022–23. Overall, PMMY demonstrates wide coverage, moderate variability, and long-term stability, highlighting its important role in promoting financial inclusion and supporting women entrepreneurs in India.

Table -2 : Table showing growth rate of PMMY loans to women entrepreneurs in Kishore Scheme

Year	No of A/Cs	Growth Rate in %	Amount Sanctioned (Cr)	Growth Rate in %	Amount Disbursed (Cr)	Growth Rate in %
2015-2016	473536	-----	9068.03	-----	8675.43	-----
2016-2017	624925	31.97%	9541.63	5.22%	8733.38	0.67%
2017-2018	1335192	113.66%	16586.84	73.84%	15749.53	80.34%
2018-2019	2875392	115.35%	26741.23	61.22%	25666.77	62.97%
2019-2020	2988307	3.93%	26476.69	-0.99%	25160.37	-1.97%

2020-2021	5468211	82.99%	50730.64	91.60%	48817.86	94.03%
2021-2022	7892778	44.34%	70027.9	38.04%	68661.23	40.65%
2022-2023	11285672	42.99%	92756.54	32.46%	91691.19	33.54%
Total	32944013	4.35	301929.5	3.01	293155.76	3.10
Average	4118001.625	0.54	37741.1875	0.38	36644.47	0.39
S D	3845136.681	0.43	30590.86251	0.35	30363.73504	0.37

The data shows a strong and consistent expansion of PMMY loans over the study period. The number of accounts increased sharply from 2016–17 onwards, with exceptionally high growth during 2017–18 and 2018–19, indicating rapid adoption of the scheme. A marginal slowdown is observed in 2019–20, followed by a significant surge in 2020–21, reflecting increased credit support during the pandemic period. Thereafter, steady and high growth continued up to 2022–23 in terms of number of accounts as well as amount sanctioned and disbursed. Overall, the results highlight substantial growth, rising credit flow, and the strengthening role of PMMY in supporting women entrepreneurs and enhancing financial inclusion.

Table -3: Table showing growth rate of PMMY loans to women entrepreneurs in Tarun Scheme

Year	No of A/Cs	Growth Rate in %	Amount Sanctioned (Crs)	Growth Rate in%	Amount Disbursed (Crs)	Growth Rate in %
2015-2016	51611	-----	4076.55	-----	3874.98	-----
2016-2017	49625	-3.85%	3750.13	-8.01%	3330.54	-14.05%
2017-2018	78914	59.02%	6295.7	67.88%	5499.3	65.12%
2018-2019	783591	892.97%	10039.23	59.46%	9509.46	72.92%
2019-2020	397825	-49.23%	9045.4	-9.90%	8463.68	-11.00%
2020-2021	82105	-79.36%	6082.24	-32.76%	5680.12	-32.89%
2021-2022	94560	15.17%	6772.91	11.36%	6546.72	15.26%
2022-2023	153645	62.48%	11340.92	67.45%	11115.01	69.78%
Total	1691876	8.97	57403.08	1.55	54019.81	1.65
Average	211484.5	1.12	7175.39	0.19	6752.48	0.21
S D	257769.94	3.41	2739.04	0.42	2733.74	0.45

The results show wide fluctuations in PMMY loan performance over the years. After initial decline, there was a sharp increase in 2017–18 and an exceptional surge in 2018–19. This was followed by significant declines during 2019–20 and 2020–21 due to economic slowdown and the pandemic. From 2021–22 onwards, the scheme recovered with strong positive growth, especially in 2022–23. Overall, PMMY shows recovery and renewed support for women entrepreneurs despite periodic instability.

Findings and Suggestions:

PMMY has significantly improved access to formal finance for women entrepreneurs in India. The Shishu scheme accounts for the highest number of women borrowers, indicating strong support to micro and first-time entrepreneurs. The Kishore scheme shows steady and high growth, reflecting the gradual expansion of women-led enterprises. The Tarun scheme exhibits fluctuations due to higher risk and economic

sensitivity. The COVID-19 pandemic caused a temporary decline in 2020–21, but strong recovery is evident from 2021–22 onwards. Overall, PMMY has positively contributed to financial inclusion and women's economic empowerment

Awareness about Kishore and Tarun schemes should be increased among women entrepreneurs. Loan procedures must be simplified with quicker approvals. Financial literacy and entrepreneurship training should be linked with PMMY loans. Banks should provide mentoring and post-loan support to women borrowers. Strengthening credit guarantees and integrating PMMY with other MSME and women-centric schemes can enhance effectiveness.

Conclusion:

The analytical study reveals that the Pradhan Mantri Mudra Yojana has played a crucial role in promoting women entrepreneurship in India by enhancing access to formal credit. The Shishu scheme has been instrumental in supporting micro-level enterprises, while the Kishore scheme demonstrates strong growth and enterprise progression. Although the Tarun scheme shows fluctuations, recent recovery trends indicate renewed confidence among women entrepreneurs. Despite pandemic-related setbacks, PMMY exhibits resilience and sustained relevance. Overall, the scheme has significantly contributed to financial inclusion, economic empowerment of women, and inclusive growth. With appropriate policy refinements and supportive measures, PMMY can further strengthen women-led entrepreneurial development in India.

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