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Access to Finance: The Role of Pradhan Mantri Mudra Yojana Scheme in Supporting Women Entrepreneurs in Virudhunagar

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Abstract

This study investigates how the Pradhan Mantri Mudra Yojana (PMMY) can help women entrepreneurs in Virudhunagar, Tamil Nadu, have better access to capital. Despite their potential to contribute to economic growth, women entrepreneurs in the region face considerable obstacles in obtaining financial resources, typically due to a lack of collateral, inadequate financial literacy, and societal restraints. PMMY, delivered through the Indian authorities, intends to cope with these impediments by offering collateral-free loans to micro, small, and medium-sized companies (MSMEs). This observation investigates the extent of consciousness, accessibility, and utilization of PMMY amongst women marketers in Virudhunagar, in addition to how efficiently the program has satisfied their funding desires and facilitated business increases. Data has been collected through surveys and in-depth interviews with a wide sample of female entrepreneurs from different sectors. The data show that, while PMMY has improved access to credit, many women are still unaware of the scheme or have difficulty navigating the application process. The record emphasizes the advantages for human beings who've efficiently used PMMY loans, together with greater commercial enterprise balance, creation of employment, and neighborhood monetary contributions. This examination emphasizes the significance of supportive financial frameworks which include PMMY in selling ladies marketers and assisting sustainable regional improvement.

Keywords: Women Entrepreneurs, PMMY Schemes, Finance, Business, Capital, Virudhunagar

Introduction

Financial availability is critical for encouraging entrepreneurship, in particular among women, who often encounter unique problems in acquiring the capital required to release and amplify their organizations. Even though ladies entrepreneurs are critical to monetary increase and social advancement, they typically face barriers which include low economic literacy, a loss of collateral, and gender bias in traditional financing systems. In this regard, the Government of India's 2015 launch of the Pradhan Mantri Mudra Yojana (PMMY) has come to be a sizable program designed to alleviate these monetary constraints.

PMMY provides collateral-free loans to micro, small, and medium enterprises (MSMEs) under three categories: Shishu (loans up to ₹50,000), Kishor (₹50,000 to ₹5 lakhs), and Tarun (₹5 lakhs to ₹10 lakhs). By facilitating easier access to credit, the scheme seeks to empower aspiring and existing entrepreneurs, particularly in underserved and rural areas. This allows women entrepreneurs a huge opportunity to overcome conventional financial barriers, grow their businesses, and increase household and community incomes.

This observation focuses on PMMY's role in supporting female marketers in Virudhunagar, a Tamil Nadu district known for its varied industries and spirit of entrepreneurship. It appears how nicely local women entrepreneurs apprehend, can access, and are laid low with PMMY loans to evaluate how nicely the program meets their monetary wishes.

The studies' conclusions should be very beneficial to politicians, banks, and different stakeholders who are committed to empowering girls through inclusive monetary frameworks.

Review of Literature

Verma believes that the MUDRA program helps young individuals who wish to start their enterprises and assists small businesses that are having financing challenges. Soni investigated how the MUDRA program for small businesses was developed and the company that provides refinances for it. The study sought to comprehend the legal framework required for the proper execution of the MUDRA program, as well as its goals and advantages. Using secondary data from newspapers, government websites, publications, and institute reports, the study was classified as descriptive. The effort gives small businesses greater confidence, which encourages educated and competent people to grow their businesses, the author concluded. Additionally, the report emphasized the outstanding contribution of MUDRA Yojana to women's empowerment.

The efficiency of the MUDRA plan was examined by Agarwal and Dwivedi having an emphasis on caste and category. The research employed a SWOT analysis to assess the plan's possible risks, possibilities, and disadvantages. One of the paper's major findings was the fact that women entrepreneurs, who constitute the majority of subjects, receive substantial advantages from the MUDRA scheme. The results showed that the distributional proportion of women increased from 46 percent in 2015–16 to 46.2 percent in 2016–17. The paper suggests that in addition to more conventional sectors like farming and industry, rules ought to include the private sector and emphasis on minorities.

H L, Anjesh, and Rathod, Veershetty G have examined the knowledge, awareness, and reasons for knowledge on the PMMY plan within the residents of Shivamogga district, Karnataka. Based on the research's findings, the respondents did not much about PMMY. For information on the program, the majority of participants turned to their close family and friends.

B. Vinod Kumar The planning board's vice chairman says that Telangana State needs an enormous quantity of Mudra loans. Vinod Kumar told the Union Finance Minister that as of March 31, 2020, 17.86% of the nation's populace was covered by Mudra loans. He requested that the Centre set a new target of providing qualified Telangana residents 30 lakh Mudra loans.

The basic building block of any business is finance, and starting a tiny or microbusiness requires it Mukul Pandey. Mudra Yojana is one such program that helps unbanked, unorganized, non-corporate, and non-farm sector entrepreneurs expand, which greatly strengthens the economy. The program enables underprivileged and vulnerable members of society to turn into businesses to participate in the economy.

About the Scheme

The Pradhan Mantri Mudra Yojana (PMMY), released with the aid of the Government of India in April 2015, goals to provide financial support to micro and small corporations. The scheme enables collateral-loose loans to entrepreneurs via monetary establishments like banks, microfinance institutions (MFIs), and non-banking monetary agencies (NBFCs). It focuses on fostering self-employment, entrepreneurship, and economic inclusion.

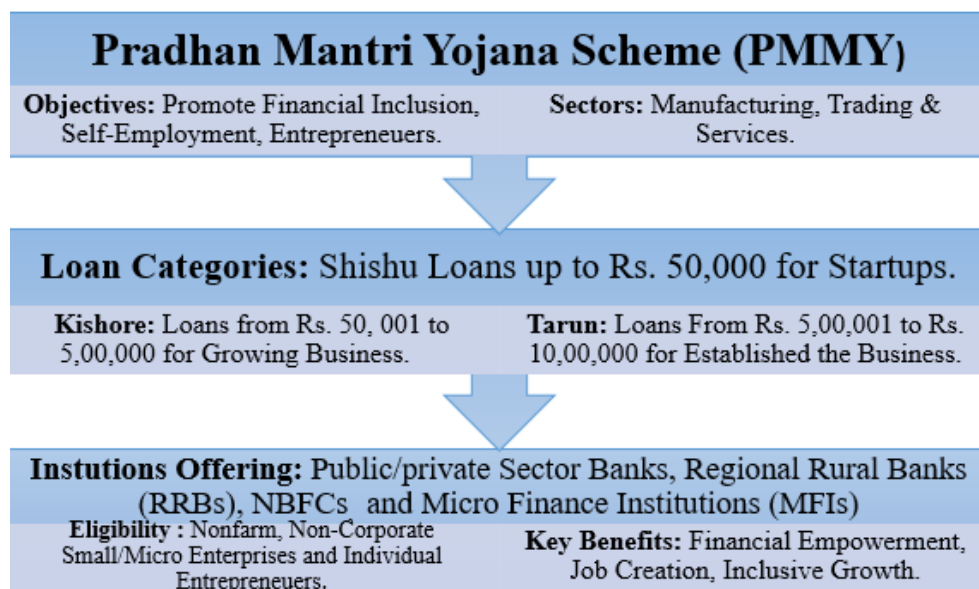


Fig 1: About the Schemes

Statement of the Problem

Accessing the funding to establish, hold, and develop their organizations is a recurrent obstacle going through women entrepreneurs in Virudhunagar. Many women are discouraged from pursuing respectable financial assistance due to the fact traditional lending institutions regularly name for collateral, copious documentation, and tricky application procedures. Prejudices from society and a lack of monetary

know-how additionally restrict their get entry into financing. These barriers now not simplest restrict women from starting their agencies but also limit their capability to help the nearby economy increase and create jobs. With a focal point on marginalized groups which include women, the Pradhan Mantri Mudra Yojana (PMMY) was created to relieve those monetary limitations with the aid of offering micro and small agencies with loans devoid of collateral. There are

nonetheless worries, even, concerning PMMY's efficacy in accomplishing and supporting Virudhunagar's woman entrepreneurs in addition to its awareness and accessibility. To figure out the diploma to which PMMY achieves its goals for girl marketers, this looks at targets to discover and examine those troubles. To enhance neighborhood economic development, growth financial inclusion, and enable women in Virudhunagar to attain sustainable business growth, this trouble ought to be addressed.

Scope of the Study

This examination's purpose is to check out how women entrepreneurs in the Virudhunagar district of Tamil Nadu can get finance beneath the Pradhan Mantri Mudra Yojana (PMMY). The observation looks at critical subjects together with how nicely informed girls marketers are about PMMY, how easy it is for them to get loans via the program, and how it impacts their capability to develop and keep their agencies. In Virudhunagar, women marketers run small and micro corporations in a collection of several industries. Its objectives are to examine how nicely PMMY empowers lady entrepreneurs by addressing monetary boundaries, which include the supply of loans without collateral and streamlined utility strategies. The paper also outlines viable regions for development and notes problems encountered when the usage

of the plan.

Objectives of the Study

The following are the objectives of the Study,

1. To analyze the awareness levels of women entrepreneurs in Virudhunagar about PMMY Schemes.
2. To assess the accessibility and utilization of PMMY loans among women entrepreneurs in Virudhunagar.
3. To identify the challenges faced by women entrepreneurs in availing and utilizing PMMY loans effectively.

Methodology

This study is being used Both Primary and Secondary data are used in the investigation. Questionnaires were used to get Primary data. Through Publications, Websites, Articles, Journals, and secondary data were gathered.

Sample Design

This study is mainly based on the survey method and it is relevant only in Virudhunagar City. The Researcher Selected 60 Respondents from Women Entrepreneurs in PMMY Schemes. A Structured Questionnaire was used to collect the relevant data.

Data Analysis

Table 1: Age of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 Years	9	15.0	15.0	15.0
	21 to 25 Years	28	46.7	46.7	61.7
	26 to 30 Years	11	18.3	18.3	80.0
	31 to 35 Years	8	13.3	13.3	93.3
	36 to 40 Years	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

From the above table out of 60 Respondents, 28 (46.70%) of the Respondents are 21 to 25 Years age group of the Respondents.

Table 2: Qualification of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Illiterate	8	13.3	13.3	13.3
	Up to HSC	4	6.7	6.7	20.0
	Diploma	6	10.0	10.0	30.0
	UG	33	55.0	55.0	85.0
	PG	9	15.0	15.0	100.0
		Total	60	100.0	100.0

Source: Computed Primary data

From the above Table, it was found that 33 (55.00%) of the Respondents are literate on UG Degree.

Table 3: Marital Status of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	32	53.3	53.3	53.3
	Un Married	28	46.7	46.7	100.0
		Total	60	100.0	100.0

Source: Computed Primary data

It is specified that most of the Respondents 32 (53.30%) are married.

Table 4: Family Income of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10,000 to 15,000	33	55.0	55.0	55.0
	16,000 to 25,000	17	28.3	28.3	83.3
	26,000 to 35,000	5	8.3	8.3	91.7
	36,000 to 45,000	4	6.7	6.7	98.3
	Above 46,000	1	1.7	1.7	100.0
Total		60	100.0	100.0	

Source: Computed Primary data

It was found that 33 (55.00%) of the Respondents are earned a monthly income of Rs.10, 000 to Rs.15, 000.

Table 5: Years of Experience in Entrepreneurial

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 to 4 Years	39	65.0	65.0	65.0
	4 to 6 Years	16	26.7	26.7	91.7
	6 to 8 Years	5	8.3	8.3	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

It is Analyzed that 39 (65.00%) Respondents are 2 to 4 Years of Experience.

Table 6: Business Size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Small	39	65.0	65.0	65.0
	Medium	21	35.0	35.0	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

The above table shows that 39 (65.00%) Respondents are starting a Small Business.

Table 7: Types of the Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufacturing	24	40.0	40.0	40.0
	Service	19	31.7	31.7	71.7
	Wholesale & Retail	17	28.3	28.3	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

The above Table shows that 24 (40.00%) Respondents are in the Manufacturing businesses.

Table 8: What kind of loan have you taken?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Shishu	10	16.7	16.7	16.7
	Kishor	38	63.3	63.3	80.0
	Tarun	12	20.0	20.0	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

From the above table, 38 (63.30%) Respondents have taken the Kishore Loan Scheme.

Table 9: Satisfied the Scheme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dissatisfied	8	13.3	13.3	13.3
	Neutral	25	41.7	41.7	55.0
	Satisfied	27	45.0	45.0	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

It's Measured that 27(45.00%) of the Respondents are Satisfied with the Scheme.

Table 10: Manufacturing Sector Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Candle Making	20	33.3	33.3	33.3
	Home Made Soap & Beauty Product	7	11.7	11.7	45.0
	Handy Crafts	5	8.3	8.3	53.3
	Pickle Making	9	15.0	15.0	68.3
	Milk Products	11	18.3	18.3	86.7
	Packing Cover Making	8	13.3	13.3	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

The above table shows that 20 (33.30%) Respondents are doing Candle Making Business.

Table 11: Service Sector Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Baby Care Service	23	38.3	38.3	38.3
	Fitness & Health Care Service	14	23.3	23.3	61.7
	Event Management	6	10.0	10.0	71.7
	Educational Services	6	10.0	10.0	81.7
	Beauty Care Service	6	10.0	10.0	91.7
	Pet Care Service	5	8.3	8.3	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

The above table shows that 23 (38.30%) Respondents are doing Baby Care Services.

Table 12: Whole Sale & Retail Sector Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Textiles Shop	11	18.3	18.3	18.3
	Stationery Shop	18	30.0	30.0	48.3
	Beauty Care Products Shop	13	21.7	21.7	70.0
	Grocery Shop	8	13.3	13.3	83.3
	Footwear & Accessories Shop	5	8.3	8.3	91.7
	Gift Shop	5	8.3	8.3	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

The above table shows that 18 (30.00%) Respondents are doing the Stationery Shop.

Table 13: Persons who suggest the PMMY Scheme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	News Paper	8	13.3	13.3	13.3
	Friends & Relatives	22	36.7	36.7	50.0
	Banks & Self-Help Groups	4	6.7	6.7	56.7
	Television & Media	11	18.3	18.3	75.0
	Pamphlets	15	25.0	25.0	100.0
	Total	60	100.0	100.0	

Source: Computed Primary data

It is Contingent on the Majority of 22 (36.70%) of the Relatives. Respondents having taken the loan suggested by Friends &

Table 14: Awareness Factor of the PMMY Scheme

S. NO	Factors	V.A	A	M.A	U.A	V.U.A	Total
1	Awareness of the Scheme	5 (8.30%)	30 (50.00%)	9 (15.00%)	11 (18.30%)	5 (8.30%)	60 (100%)
2	Application Process	13 (21.70%)	24 (40.00%)	15 (25.00%)	2 (3.30%)	6 (10.00%)	60 (100%)
3	Support from Financial Institutions	8 (13.30%)	24 (40.00%)	7 (11.70%)	15 (25.00%)	6 (10.00%)	60 (100%)
4	Aware of Loan Features	4 (6.70%)	22 (36.70%)	11 (18.30%)	19 (31.70%)	4 (6.70%)	60 (100%)
5	Overall Awareness Level	9 (15.00%)	20 (33.30%)	13 (21.70%)	10 (16.70%)	8 (13.30%)	60 (100%)

(V.A – Very Aware, A – Aware, M.A- Neither Aware, U.A- UN Aware, V.U.A- Very UN Aware)

Source: Computed Primary data

It is Prominent that the Majority of the Respondents Prefer to Aware.

Conclusion

Women entrepreneurs in Virudhunagar now have a great deal simpler get right of entry financing way to the Pradhan

Mantri Mudra Yojana (PMMY), which has enabled them to get past lengthy status limitations inclusive of a lack of collateral and occasional economic literacy. The program has promoted economic inclusion and economic independence by encouraging ladies to begin and develop micro and small organizations through the provision of collateral-free loans. All things considered, PMMY has performed a widespread role in empowering women entrepreneurs in Virudhunagar, promoting inclusive increase and financial empowerment. The scheme's effect may be improved in addition and sustainable improvement assured by way of concentrated efforts to grow attention, simplify approaches, and offer publish-mortgage help.

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