

## Empowering Women Entrepreneurs: An Empirical Study of Pradhan Mantri Mudra Yojana in Vidarbha

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### Abstract

Women in Entrepreneurship Drives Economic and Women Financial Independence, But Female Business Owners Face Challenges in Accessing Finance and Other Financial Services. The objectives of PMMY (Pradhan Mantri Mudra Yojana) were microfinance and entrepreneurship with more emphasis on women entrepreneurs. This study evaluates the impact of PMMY on women entrepreneurs in the Vidarbha region by examining significant factors such as loan access, capital utilization, business growth, and socio-economic empowerment. The primary data for this empirical study was collected based on the in-depth interviews and structured questionnaires with women benefitted through PMMY. Researchers in Vidarbha explored the impact of PMMY on women entrepreneurs' ability to survive, earn, and empower themselves. Key Information: The findings indicate that PMMY has contributed in precipitating financial inclusion and entrepreneurship, however factors such as lagging bureaucracy, low financial knowledge and ignorance are hindering it from performing optimally. Based on the findings of the research, suggestions have been proposed to make PMMY more useful for women business owners that would provide equitable economic development in the region.

**Keywords: Women Entrepreneurship, Pradhan Mantri Mudra Yojana, Financial Inclusion, Microfinance, Vidarbha, Economic Empowerment**

### Introduction

Women entrepreneurs are key drivers of job creation, innovation, and economic growth. They hold great promise, but struggle to get the funding, technical assistance and market opportunities they need. To bridge this gap, the Indian government in 2015 launched the Pradhan Mantri Mudra Yojana (PMMY) — a scheme to provide microfinance for small and micro enterprises (SME) mostly for women entrepreneurs without collateral.

Maharashtra's agriculture-centric economy and a burgeoning entrepreneurship ecosystem makes it an ideal context of studying the impact of PMMY on women-led businesses as well. PMMY has emerged as a powerful source of funding but an assessment needs to be done in terms of its impact on the ability of women entrepreneurs in Vidarbha to create viable businesses and to advance their economic independence.

This study primarily aims at analysing how PMMY had helped women entrepreneurs in the region gain access to capital, expand their ventures and uplift their socio-economic status. This study adopts an empirical approach that utilises primary data collected from female beneficiaries of the PMMY scheme to examine the availability, utilization, and outcomes of PMMY loans. Moreover, it highlights important barriers women face in accessing and effectively using these loans.

This study can enlighten policymakers, financial institutions, and other stakeholders about the pros and cons of PMMY for women entrepreneurs. The research will guide policy recommendations that will broaden access to financial inclusion initiatives and enhance their effectiveness, facilitating entrepreneurial ecosystems that can sustain themselves in Vidarbha and beyond.

### Literature review

This entry is from 2017 written by J. Venkatesh, MD and R. Lavanya Kumari. It has demonstrated that programs are being conducted to advance and promote the MSME sector as a whole, along with initiatives that concentrate solely on entrepreneurs. Those employed in small companies will see the to begin with a standard of living due to the programmes, making improvements to our national economy. (2015) stated that the new MUDRA initiative will inspire young people to consider becoming entrepreneurs while also helping to deal with

MSMEs funding issues.

Rudrawar and Uttarwar in 2016-2017, It established beyond a reasonable doubt that PMMY could bring about the needed shift. If this works well in the local level, it may disrupt the Indian economy in a big way. It should have demanded less arm waving and been easier to use. MUDRA will be pivotal for the growth of employment, GDP and entrepreneurship in the coming years. One of the common ways to measure a country, for instance, its growth, progress, material welfare, is its gross domestic product (GDP), national net product (NNP), yearly government budget, the employment rate, and the living standards of people. The financial system is the backbone of any country. PMMY had brought monumental changes in the country. In order to gain the advantages and achieve the requirements, it has concentrated on numerous things. They were then able to obtain the operating cash due to prioritizing preapproved Mudra cards. Due to the generation of employment, around 12 crore people received jobs. Mudra Banks followed such a principle in among other things, deciding how much to lend to a woman. The MUDRA financing gave an immediate thrust to our economy. R. Rupa (2017) have proved (enclosed reference) the effectiveness of MUDRA programme in Tamil Nadu. Indeed it appears that MFIs have played a significant role in the jump in PMMY accounts.

Abdul Khadar, Dr. A. Abdul Rahim, (2018) had studied about the roles and responsibilities of MUDRA program in growth of micro sector. According to the title, the big claim is that rural folks control about 54% of the country's micro units. As a result, this project will enhance the lifestyles of these corporate executives, create thousands of jobs, and boost both the country's and the rural people's economies.

One of the most effective ways to combat poverty and drive opportunity is to ensure access to financial services for all. Financial inclusion is the concept through which the access of the population (particularly the low-income sectors) to adequate financial services is pursued. The PradhanMantri Mudra Yojana is one of the government financial programs that help the microenterprises, small industries, and low-income people of India. The study itself claims that the implementation of such a scheme by our government, which involves increasing the chances of credit needs and refinancing, is a great sign. PMMY will help our country progress in the years to come. This also has offered women financial assistance.

(John Juliana Sairah), The study argues that this will lead us to bridge the gap between successful and unsuccessful entrepreneurs when accessing loans. Use the gaunt, limited interest rate. Reimburse the debtor. It removes the bias toward female entrepreneurs and for young people launching companies. Let us examine, in this article, how Mudra banks are doing with each other, their rate of loan approval and distribution and performance of their products, whether successful or failed.

PMMY is a loan facility for small entrepreneurs as a step-up for India's growth through MSMEs, stated by Vijai (2018) PMMY, as highlighted by Vijai (2018) as seen by the research, is one of the components of this program that helps industries get the loans. Depending on their individual business needs, traders can receive a maximum loan amount of 10 lakhs. MUDRA yojanas in various states | this article highlights the possibilities and benefits of mudra yojanas The PMMY also contributes in the growth and development of the economy as a whole when combined with small-scale enterprises. The method of funding is known as MUDRA, which is a double-phased knife, assisting both new and older Enterprises. This will contribute to the building of a more advanced India and engender a sea change.

To fill the gap between those entrepreneurs who get loans and those who don't, this research says PMMY can bring us closer (Juliana Sairah, John). Get out the base interest rate. Reimburse the debtor. It supports female entrepreneurs launch their companies and assists youngsters build businesses by reducing bias. In this article, we are going to take a look at how the different Mudra banks in India, compare against each other in terms of loan approval and distribution, along that we will also analyze the success or failure of their various products.

### Objectives of the Study

1. To assess the impact of **Pradhan Mantri Mudra Yojana (PMMY)** on women entrepreneurs in the Vidarbha region.
2. To analyze the **accessibility and utilization** of PMMY loans by women entrepreneurs.
3. To examine the role of PMMY in **financial inclusion and business growth** for women-led enterprises.

### Research Methodology

With a descriptive and empirical nature, this study explores the impact of the Pradhan Mantri Mudra Yojana (PMMY) on women entrepreneurs in the Vidarbha region. The research, which is based on primary and secondary data, provides a deep understanding of PMMY's effectiveness. The main data collection for this study consists of structured questionnaires and interviews of women business owners, from whom PMMY loans have been taken. To obtain a representative sample of Vidarbha's businesses and districts, we use stratified random sampling. Secondary data is gathered from government reports, financial institution records, academic studies, and policy papers. The data is analysed for the impact of accessibility of outdoor PMMY loans on company development using statistical methods like descriptive statistics, correlation analysis, and regression models. The research also covers key barriers that women business owners face when they are trying to acquire and utilize PMMY loans. The results of the study may be beneficial for policymakers and financial institutions (FIs) as these can be used to better tailor micro finance programs to assist women entrepreneurs.

**Table: Descriptive Statistics of PMMY Impact on Women Entrepreneurs in Vidarbha**

Variable	Mean	Standard Deviation	Minimum	Maximum	Median
Loan Amount Received (₹)	1,50,000	50,000	50,000	3,00,000	1,40,000
Business Revenue Growth (%)	18.5	5.2	5.0	30.0	19.0
Increase in Employment (No. of Employees)	2.8	1.5	1	6	3
Monthly Profit Before PMMY (₹)	25,000	8,000	10,000	50,000	23,000
Monthly Profit After PMMY (₹)	38,000	10,500	15,000	65,000	36,500
Business Expansion Rate (%)	22.3	7.1	5.0	40.0	21.5
Loan Utilization for Business (%)	87.5	10.3	60.0	100.0	90.0
Customer Base Growth (%)	26.4	8.6	10.0	45.0	25.0

### Analysis of Descriptive Statistics

The descriptive data shows that PMMY has helped women entrepreneurs positively in the Vidarbha region. Loan amounts received also differed a bit for female entrepreneurs, with a mean of ₹1,50,000 (SD = ₹50,000). The average sale growth rate of 18.5% indicated a strong acceleration in financial results for the company's growth. Moreover, PMMY also contributed in stimulating job creation, with an average increase of 2.8 additional employees per unit.

Profit margins before PMMY financing averaged ₹25,000 and after PMMY financing, profit margins soared up to ₹38,000 per month per unit. So it looks like the financial assistance helped the firm grow and make more money. The 22.3% average growth rate indicates that many of the entrepreneurs reinvest their capital into growing their businesses. In addition, 87.5% of commercial loans were effectively spent on commercial purposes, and businesses used their money wisely, so you can rest assured that businesses didn't waste money.

Moreover, the average customer base growth rate was 26.4%, which indicated women-led firms of the microfinance were able to catch more consumers and expand their market reach.

However, the variation in company growth and profit margins means that not every entrepreneur was able to take full advantage of PMMY. This could have been due to problems with operational efficiency, limited access to markets or a lack of financial literacy.

The evidence presented in the paper supports that PMMY proved to be an effective tool towards institutionally empowering women business owners in Vidarbha by providing them access to the banking services and have become economically self-sufficient. While microfinance can be a driver of women's entrepreneurship, as the authors conclude, it might be even more effective in combination with access to financial training, mentoring programs, and better policies.

**Table: Paired t-Test for PMMY Impact on Women Entrepreneurs**

Business Performance Indicator	Mean Before PMMY (₹)	Mean After PMMY (₹)	Mean Difference (₹)	t-Value	p-Value	Significance ( $\alpha = 0.05$ )
Monthly Profit	25,000	38,000	13,000	5.62	0.0001	Significant
Business Revenue Growth (%)	12.5	18.5	6.0	4.87	0.0003	Significant
Employment Generation (No. of Employees)	1.5	2.8	1.3	3.95	0.0015	Significant
Customer Base Growth (%)	15.2	26.4	11.2	5.21	0.0002	Significant

### Analysis of Hypothesis Testing

A paired t-test on the own performance of women entrepreneurs in Vidarbha region of India who had availed loans under Pradhan Mantri Mudra Yojana (PMMY) shows that there were significant positive improvements in various performance outcomes. These variables examined are monthly profit, company revenue growth, job creation, and customer base expansion p-values below 0.05. This validates that the observed changes cannot be ascribed, at random fluctuation in own experience, but due to the financial assistance provided under PMMY.

The women business owners' monthly income increased to ₹ 38,000 from a mere ₹ 25,000 on an average with the t-value of 5.62 and the difference in average income of ₹ 13,000. So apparently, the growth, increase in operational capacity and surge in profitability were the direct results of the PMMY money. Indeed revenue growth rates were; from 12.5% to 18.5%, showing women-led companies received more funding after all. As entrepreneurs added an average of 1.3 additional employees per firm, the rate of employment generation also increased significantly. This also highlights the significance of the scheme to provide assistance for economic expansion and jobs.

PMMY not only helped businesses improve their customer base growth rate from 15.2% to 26.4% ( $t = 5.21$ ), but also encouraged them to broaden their market reach and simpler attract customers. As all variables have positive t-values and p-values are small, we can statistically infer that PMMY has a significant impact on growth and financial success of firms run by female entrepreneurs.

Hence, these outcomes of hypothesis testing conclude that the alternative hypothesis ( $H_1$ ) is accepted, while the null hypothesis ( $H_0$ ) is rejected and confirming that PMMY exerts a positive and significant impact on women entrepreneurs in Vidarbha. The findings suggests that, if any capacity-building and continued access to microfinance were initiated there, both would prove to be even more beneficial for women founded businesses in the region.

### Conclusion

The study finds that PMMY has empowered women entrepreneurs in the Vidarbha region paving the way for financial independence which led to their professional expansion and have contributed to new job opportunities. The results reveal that PMMY has contributed to the

financial success of women-led businesses, helped them build their client base, generate more jobs, and increased their income. Results from the paired t-test and hypothesis testing indicate that beneficiaries have experienced significant improvements in financial performance as attributed to the program.

According to the study, the company operations of women entrepreneurs who took out PMMY loans were significantly improved in terms of greater monthly earnings, faster revenue growth rates, and increased capacity to hire additional employees. Women's enterprises have grown, they have been able to reach a wider customer base, and they have achieved greater financial independence, thanks to PMMY's loan programs. Notably, in developing countries such as India, these results underscore the impact of microfinance programs on the financial empowerment of women entrepreneurs and the demand for formal financial services.

Yet women-owned businesses continue to encounter hurdles to long-term growth, including low levels of financial literacy, few mentors and limited access to larger loan limits. Therefore, in the long run, for the PMMY to become most effective, lawmakers must prioritize programs to help manage and money management, discharge skill development, and back every woman awaiting a break.

All in all, the PMMY did play an essential role in financially empowering women, providing jobs, and in developing the Vidarbha region in the region of promoting women entrepreneurs. Digital financial services also have the potential to widen financing access for women entrepreneurs, and future research could assess the sustainability of PMMY-funded firms over the long term.

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