



# A COMPREHENSIVE PERFORMANCE ANALYSIS OF PRADHAN MANTRI MUDRA YOJANA WITH EMPHASIS ON WOMEN ENTREPRENEURSHIP



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## Abstract

This study looks closely at how loans were given out under the Pradhan Mantri Mudra Yojana (PMMY) from 2019–20 to 2023–24, divided into three types of loans—Shishu, Kishor, and Tarun—and four social groups—General, SC, ST, and OBC. The outcomes reveal that Kishor loans regularly garnered the largest disbursements, underscoring a shift of micro-enterprises towards mid-level stability and expansion. Beneficiaries from the general category consistently outnumbered those from OBCs, SCs, and STs in loan receipts overall years. The COVID-19 pandemic caused a temporary decline in 2020–21, but a vigorous rebound ensued, showcasing the resilience of the policy. The research reveals significant variance in disbursement amounts among different socioeconomic groups and types of loans, with the General category showing the highest standard deviation. The research stresses the need for inclusive credit policy, specifically targeted at marginalised SC/ST groups via organised financial literacy and outreach initiatives.

**Keywords:** *Disbursements; Kishor; Shishu; Tarun; Women Entrepreneur*

## Introduction

The Pradhan Mantri Mudra Yojana (PMMY) was initiated to foster financial inclusion by offering collateral-free loans to micro and small companies. Throughout the years, the programme has developed into a crucial instrument for enabling entrepreneurs across many social and economic levels. This article explores the allocation patterns of PMMY loans from 2019–20 to 2023–24, categorised by loan type—Shishu (up to ₹50,000), Kishor (₹50,000 to ₹5 lakh), and Tarun (₹5 lakh to ₹10 lakh)—and by socioeconomic category—General, SC, ST, and OBC.

The research elucidates the changes in loan distribution across categories, shaped by causes like economic disruptions (e.g., the COVID-19 epidemic), policy measures, and evolving borrower demographics. Kishor loans had the largest average disbursements, indicating the development of micro-enterprises. In the meantime, Shishu loans, albeit exhibiting a little lower average, maintained a steady and substantial distribution, underscoring their essential contribution to entrepreneurial advancement. The research examines institutional performance and gender dynamics in loan allocations, providing an in-depth analysis of the program's effects. It delineates opportunities for policy enhancement, namely in aiding SC/ST borrowers and female entrepreneurs via targeted loan facilitation and educational initiatives.

## Literature Review

PMMY drives economic development and financial inclusion, with women entrepreneurs receiving 71% of total credits [1]. Loan disbursements have grown remarkably in the North and South, while the West leads in growth rates. The scheme nurtures entrepreneurship and job creation among underprivileged communities. According to Khan [2] there is a statistically significant relation between awareness and preference, with female entrepreneurs recommending the MUDRA Yojana for financial support. 304 women from various industries participated in the study, which reveals that greater awareness boosts financial inclusion. The study looks at difficulties faced by Indian women entrepreneurs and investigates methods for empowering them [3]. The PMFME program, which encourages economic independence, is serving many women as they shift from employment to entrepreneurship. The study also evaluates the socioeconomic effects of the plan [4]. The MUDRA program increases credit availability for women and other weak groups while fostering micro entrepreneurship and financial inclusion. But issues like increasing non-performing assets and the sustainability of employment continue to exist. For long-term effects, policy initiatives should highlight risk management and financial literacy [5]. More institutional funding and customised financial solutions are required to close the credit gap for small business owners. By lowering small business vulnerabilities through its no-collateral approach, MUDRA Yojana raises trust in formal credit [6]. The secret to effective entrepreneurship is product diversification, innovation, and technology. Program efficiency is ensured by political oversight, while defaults are prevented by effective credit assessment. Finally, sufficient funding under PMMY can encourage self-employment and complete economic growth in India [7]. PMMY has helped businesses grow and generate income, but it has had little effect on job creation or living standards. Out of all the Mudra Loans, the Shishu Loan Scheme has the major share. According to recent data, the scheme has helped approximately 34.92 crore loan accounts. Furthermore, PMMY was actively reducing the financial toll that COVID-19 took on marginalised communities [8]. The key to success for female entrepreneurs in India is family support, education, and experience. The need for supportive policies is emphasised by the fact that many people are unfamiliar with the resources that are available and that cultural norms present extra obstacles [9].

According to Niyonsaba [10], women start businesses more quickly than men do, which increases employment and promotes economic growth. In Africa, 63% of women operate informal businesses, compared to 30% worldwide. Rotating savings associations highlight the role of informal organisations in encouraging women's entrepreneurship by enhancing credit access and financial literacy, particularly in developing countries like Rwanda [11]. Karnataka's MSMEs and agri-allied industries have benefited from MUDRA, and the "Make in India" campaign has further increased MSME expansion. The program boosts entrepreneurship and agricultural endeavours, but to have a wider impact, more people must be aware of MUDRA loans. According to Kaur et al. [12], The Mudra Yojana has provided ₹5.54 lakh crore in loans totalling 12.27 crore since 2015 to support MSMEs. It inspires women and minorities to become entrepreneurs by giving credit to underserved communities without collateral. Nonetheless, there are still issues with improving entrepreneurial abilities and monitoring credit risk.

## Research Gap

Despite the substantial literature on PMMY's contribution to financial inclusion and entrepreneurship, significant research deficiencies persist. Regional analysis is considerably restricted, particularly in the Eastern and Northeastern states. The long-term effects on work and quality of life remain little examined. The majority of research concentrates on loan disbursement instead of use or company viability. The efficacy of financial literacy and risk management assistance is still questionable. The function of digital financial instruments remains mainly unexplored. Gender-focused research lacks intersectional intricacy. Research on the post-COVID recovery effects for recipients is lacking, and comparative evaluations of institutional credit methods are deficient. Hence, the researcher has undertaken the present study, entitled "A Comprehensive Performance Analysis of Pradhan Mantri Mudra Yojana with Emphasis on Women Entrepreneurship."

## Research Objectives

The aim of this study is to evaluate the effectiveness of the Pradhan Mantri Mudra Yojana from 2019 to 2024, considering various socioeconomic groups such as General, SC, ST, and OBC, through an analysis of changes in loan disbursements within the Shishu, Kishor, and Tarun categories.

- To evaluate the effectiveness of various banking and financial institutions in extending loans under the Pradhan Mantri Mudra Yojana from 2019 to 2024, with a focus on identifying trends, institutional contributions, and the evolving roles of public, private, and non-banking financial organisations.
- To assess the trends in loan disbursement to women entrepreneurs under the Pradhan Mantri Mudra Yojana from 2019 to 2024, specifically focussing on the growth patterns within the Shishu, Kishor, and Tarun loan categories (refer to Table 1).

**Table 1: Year-wise Disbursement of PMMY Loans Across Social Categories and Loan Types (2019–2024)**

(Amount Rs. in Crore)

Year/Category		2023-24	2022-23	2021-22	2020-21	2019-20	Mean	SD
General	Shishu	70518	64780.6	58970.1	51394	86236.9	66379.9	13166.8
	Kishor	167451	129513	85148.1	90563.8	64342.1	107404	41011.3
	Tarun	105302	92152.5	63874.7	66348.3	67071.8	78949.8	18680.7
SC	Shishu	26676.7	26058.5	22492.4	19521.4	27191.2	24388	3284.94
	Kishor	25717.7	18612.1	12762.5	9217.18	5896.41	14441.2	7868.88
	Tarun	5038.45	2601.71	1669.66	1621.56	1215.15	2429.31	1544.43
ST	Shishu	8277.3	8689.36	8049.96	7161.71	10053.5	8446.37	1058.07
	Kishor	9037.41	6741.82	5145.35	4204.17	2708.82	5567.51	2430.44
	Tarun	2581.03	1862.71	1079.55	1116.09	847.83	1497.44	715.829
OBC	Shishu	42312.8	42081.5	34456.6	30560.1	39301.2	37742.4	5111.95
	Kishor	54888.3	46070	30333.3	23254.4	18479.8	34605.1	15410.7
	Tarun	14558.1	11260.3	7419.98	6791.69	6340.01	9274.01	3538.16
Total	Shishu	147785	141610	123969	108637	162783	136957	21074.6
	Kishor	257095	200937	133389	127240	91427.1	162017	66269.2
	Tarun	127479	107877	74043.9	75877.7	75474.8	92150.5	24321.7
Mean		70981.1	60056.5	44187	41567.3	43958		
SD		75254.6	61297.6	43988.9	42373.1	46641		

Source: MUDRA [13]

The yearly allocation of loans under the Pradhan Mantri Mudra Yojana (PMMY) among three categories—Shishu, Kishor, and Tarun—and four socioeconomic groups—General, SC, ST, and OBC—from 2019–20 to 2023–24. The statistics indicates that Kishor loans regularly garnered the largest overall disbursement, signifying the evolution of micro-enterprises towards stability and expansion. The General category garnered the most significant support throughout the time, followed by the OBC, SC, and ST categories. The COVID-19 pandemic resulted in a notable decline in disbursements during 2020–21, followed by a vigorous rebound in the following years. The standard deviation (SD) figures indicate that the General category had the most variability, presumably owing to its susceptibility to economic or policy changes. Conversely, the SC/ST categories had reduced standard deviations, indicating more uniform but constrained development. The research highlights the need for improved credit outreach, particularly for underrepresented areas, via focused financial literacy and inclusion initiatives. Shishu loans remain fundamental for novice entrepreneurs, but the growth of Kishor and Tarun loans indicates a developing and stable entrepreneurial environment (see Table 2 below).

**Table 2: Bank and Financial Institutions Group wise performance towards PMMY from 2019-24**  
(Amount Rs. in Crore)

Name of the Financial institution	2023-24	2022-23	2021-22	2020-21	2019-20	Mean	SD
State Bank of India	43714.3	35601.6	28352.9	37883.7	34977.8	36106.1	5538.16
Public Sector Commercial Banks	117362	104023	70203.1	65066.7	59201.4	83171.3	25856.9
Private Sector Commercial Banks	174911	141116	117406	93085.7	91361.6	123576	35172.7
Foreign Banks					6.56	6.56	
State Co-operative Banks	0.12		0.36	0.4	0.93	0.4525	0.3415
Regional Rural Banks	35661.3	31493.9	18704.9	17911.1	16753	24104.8	8799.44
Micro Finance Institutions	1430.6	912.24	1806.44	2354.67	3000.93	1900.98	809.865
NBFC-Micro Finance Institutions	75174.7	65918.4	47041.5	44032.4	54834.1	57400.2	13048.7
Non-Banking Financial Companies	38913.7	33061.3	18697.1	31856.4	40108.7	32527.4	8518.7
Small Finance Banks	45190	38297	29189.5	19563.5	29439.6	32335.9	9774.79
<b>Total</b>	532358	450424	331402	311754	329685	391125	96312.8
<b>Mean</b>	106472	100094	66280.4	62350.9	59942.7		
<b>SD</b>	158746	138118	99543.8	92081.5	93816.1		

Source: MUDRA [13]

Private Sector Banks have been the predominant contributors, with an average disbursement of ₹1.23 lakh crore and the biggest standard deviation of ₹35,172.7 crore, signifying assertive and expanding involvement. Public Sector Banks remain strong proponents, with an average of ₹83,171 crore, demonstrating sustained government-supported engagement. NBFC-MFIs have seen substantial growth, with disbursements increasing from ₹44,032 crore (2020–21) to ₹75,175 crore (2023–24), indicating a robust role in last-mile delivery. Regional Rural Banks (RRBs) and Small Finance Banks (SFBs) exhibit consistent expansion, indicating initiatives aimed at addressing rural and neglected areas. The contribution of RRBs increased from ₹16,753 crore in 2019–20 to ₹35,661 crore in 2023–24, demonstrating enhanced inclusiveness. Foreign Banks and State Cooperative Banks have little interaction, either indicative of their urban-centric focus or historical limitations. Elevated standard deviations in Private Sector Banks and Public Sector Banks indicate market volatility and policy-induced variability. Institutions with little systemic diversity, such as Microfinance Institutions and Cooperatives, exhibit constrained but stable functions.

**Table 3: Category wise Amount of Loan disbursement to Women Entrepreneurs from 2019-24**

(Amount Rs. in Crore)

Year/Category	2023-24	2022-23	2021-22	2020-21	2019-20
Shishu	108472.51	112228.35	89233.92	73872.15	109222.18
Kishor	100370.49	91691.19	68661.23	48817.86	25160.37
Tarun	13454.27	11115.01	6546.72	5680.12	8463.68

Source: MUDRA [13]

Table 3 displays funds distribution data across three categories—Shishu, Kishor, and Tarun—for the fiscal years 2019–20 to 2023–24. It furthermore includes the mean and standard deviation for each category and year. The Shishu category, which serves micro-enterprises, seems to be the primary emphasis of the plan, perhaps because of the substantial population of small-scale businesses. The elevated standard deviation in Kishor indicates variable policy emphasis or disparate borrower engagement across medium-sized firms. The uniformity in Tarun disbursements may suggest a limited, consistent cohort of more seasoned borrowers or more stringent lending standards. Policymakers may be emphasizing micro and early-stage firms (Shishu) to align with objectives for comprehensive financial inclusion. The

fluctuation in Kishor disbursements indicates a need for more organised and focused policy initiatives for medium-stage enterprises. The modest but consistent Tarun results may need initiatives to improve awareness or access to more finance for established small firms.

## Discussion

The investigation of PMMY from 2019–20 to 2023–24 reveals significant information about the scheme's effectiveness across socioeconomic demographics, financial entities, and female entrepreneurs [1]. Kishor loans regularly garnered the largest disbursements, indicating a shift among microentrepreneurs towards company stability and expansion [13]. At the same time, Shishu loans have been the foundation of entry-level companies, in particular for women and under-represented communities, underscoring PMMY's crucial function in stimulating economic activity at the grassroots level [7]. In terms of social categories, General category applicants predominated in disbursements, while SC and ST groups exhibited restricted access, as seen by their relatively low and stable results. Such an outcome highlights the need for focused outreach and financial literacy initiatives for these marginalised populations to promote inclusive development [2]. Private Sector Banks was dominant in disbursements, followed by Public Sector Banks and NBFC-MFIs. The increasing involvement of NBFC-MFIs and Small Finance Banks signifies attempts to access rural and underserved areas. The restricted function of cooperative and international banks indicates potential for diversity in delivery mechanisms. Concerning female entrepreneurs, Shishu loans constituted the predominant share of disbursements, demonstrating the program's congruence with the growth of microenterprises among women [5]. The notable increase in Kishor and Tarun category payments to women, especially after COVID, indicates a growing confidence and involvement of women in mid- and advanced-level business [11].

## Conclusion

In conclusion, PMMY has markedly advanced entrepreneurial growth and financial inclusion, particularly for women and micro-enterprises. However, disparities in access across socioeconomic categories and the need for additional support for SC/ST businesses persist. To promote equitable development, policy measures must prioritise enhancing financial literacy, strengthening outreach among underserved groups, and augmenting the functions of diverse financial institutions. Enhancing women's empowerment requires systematic guidance, skill enhancement, and improved access to higher credit tiers to facilitate the shift from subsistence businesses to growth-focused initiatives.

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## Conflict of Interest

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