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## MUDRA Scheme, Women Entrepreneurship and Employment Dynamics in India: Implications for Atmanirbhar Bharat

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### ABSTRACT

This paper investigates the role of the Pradhan Mantri MUDRA Yojana (PMMY) in shaping women's entrepreneurship and employment dynamics in India between 2020 and 2024, analysed within the policy framework of Atmanirbhar Bharat (Self-Reliant India). Drawing on primary data from MUDRA Annual Reports, MSME Annual Reports, and the World Bank DataBank (ILO-modelled estimates), the study presents a multi-dimensional tabular analysis covering MSME registrations, gender-disaggregated MUDRA loan disbursements, employment-to-population ratios, and self-employment trends. Key findings reveal that women constitute between 60% and 71% of MUDRA beneficiaries across the study period; the female employment-to-population ratio climbed from 24.40% in 2020 to 33.66% in 2023; and female self-employment consistently exceeds 78% of female employment — underscoring the centrality of micro-entrepreneurship to women's economic participation. The paper concludes that MUDRA functions as a foundational institutional mechanism for realising the gender-inclusive and self-reliant economic vision embedded in Atmanirbhar Bharat.



## 1. Introduction

The vision of Atmanirbhar Bharat — a self-reliant India — rests on the bedrock of inclusive economic participation, where every citizen, irrespective of gender, geography, or social class, has the opportunity to contribute to and benefit from national growth. Central to this vision is the empowerment of micro and small enterprises, which collectively employ over 10 crore people and form the backbone of India's informal economy.

Women's entrepreneurship, long constrained by structural barriers including limited access to formal credit, social norms, and lack of collateral, occupies a critical position in this agenda. The Pradhan Mantri MUDRA Yojana (PMMY), launched in April 2015 under the Micro Units Development and Refinance Agency (MUDRA), directly addresses this gap by providing collateral-free loans up to ₹20 lakh to non-farm, non-corporate micro-enterprises. With women accounting for a majority of its beneficiaries, MUDRA has emerged as the single largest institutional credit programme targeting women entrepreneurs in India.

This paper analyses MUDRA's impact on women's entrepreneurship and employment dynamics during 2020–2024, a period marked by both the disruptions of the COVID-19 pandemic and the subsequent economic recovery. Using data from MUDRA Annual Reports, MSME Annual Reports, and the World Bank DataBank, the study constructs a rigorous tabular analysis across five thematic dimensions: MSME registration trends, MUDRA disbursement patterns, gender-wise loan access, employment-to-population ratios, and self-employment dynamics.

## 2. Review of Literature

The relationship between microfinance, women's entrepreneurship, and employment has attracted considerable scholarly attention. Banerjee and Duflo (2007) established that access to micro-credit significantly increases women's self-employment and household incomes, particularly in developing economies. In the Indian context, Ghate (2008) demonstrated that microfinance institutions have been instrumental in drawing women into the formal economy, though access remains uneven across regions and social groups.

On the MUDRA scheme specifically, Sabnavis and Mitra (2019) observed that PMMY's three-tier structure — Shishu, Kishore, and Tarun — effectively targets enterprises at different growth stages, enabling a graduation pathway for micro-entrepreneurs. The IMF (2024) acknowledged that MUDRA's



collateral-free architecture has been a key enabler for women-owned MSMEs, which have grown to over 2.8 million. The Labour Bureau (2018) quantified MUDRA's employment impact at 11.2 million additional jobs between 2015 and 2018, with women accounting for 62% of the incremental increase.

However, the literature reveals gaps in longitudinal analysis of MUDRA's gender-disaggregated impact alongside macro-employment trends — particularly in the post-pandemic period. This paper addresses that gap by integrating MUDRA loan data with World Bank employment indicators for 2020–2024.

### 3. Data and Methodology

This study employs a descriptive and analytical research design based entirely on secondary data. The data sources are:

- (i) MUDRA Annual Reports (2020–2024): Category-wise (Shishu, Kishore, Tarun) loan account numbers, sanctioned amounts, and gender-disaggregated breakdowns for women entrepreneurs.
- (ii) MSME Annual Reports (2020–2024): Total MSME registrations under Udyam Registration, disaggregated by enterprise size (Micro, Small, Medium) and gender (Male/Female percentage share).
- (iii) World Bank DataBank — ILO Modelled Estimates (2020–2024): Employment-to-population ratio (15+) disaggregated by gender; share of employers in total employment by gender; and share of self-employed in total employment by gender.

The analytical approach involves trend analysis and cross-tabulation across five data tables, enabling identification of temporal patterns in women's entrepreneurial participation and employment outcomes. All monetary values are in Indian Rupees (Crore). Percentages are rounded to two decimal places.

### 4. MSME Registrations and Gender Distribution (2020–2024)

The Udyam Registration portal, launched in July 2020 under the revised MSME definition, provides a comprehensive record of formal MSME registrations. Table 1 presents the year-wise data on registrations and gender distribution.

**Table 1: MSME Registrations and Gender-wise Distribution (Udyam Registration, 2020–2024)**



Year	Micro	Small	Medium	Total	Male (%)	Female (%)
2020	12,46,626	85,629	14,794	13,47,049	79.63%	20.37%
2021	60,62,213	3,14,150	34,090	64,10,453	79.56%	20.63%
2022	1,26,17,959	4,35,885	39,854	1,30,93,698	81.00%	19.00%
2023	4,08,15,091	6,12,251	55,698	4,14,83,040	60.68%	38.90%
2024	5,69,01,755	7,32,782	69,013	5,77,03,550	70.80%	28.80%

Source: MSME Annual Reports, Government of India (2020–2024). Gender figures represent percentage share of total registrations.

The data reveals an exponential surge in MSME registrations — from 13.47 lakh in 2020 to 5.77 crore in 2024 — reflecting both genuine enterprise creation and the digitisation of pre-existing informal units onto the Udyam portal. Female participation showed notable improvement, rising from 20.37% in 2020 to 38.90% in 2023, before moderating to 28.80% in 2024. The peak in 2023 coincides with targeted government outreach campaigns for women entrepreneurs. The dominance of micro enterprises (consistently above 98% of total registrations) underscores the continued relevance of MUDRA's Shishu and Kishore categories, which cater precisely to this segment.

### 5. MUDRA Scheme: Overall Disbursement and Women's Access (2020–2024)

Table 2 presents aggregate MUDRA loan data, highlighting the total number of accounts, women-specific accounts, women's share, and sanctioned amounts — both overall and for women beneficiaries.

**Table 2: MUDRA Loan Disbursement — Overall and Women Beneficiaries (2020–2024)**

Year	Total Accounts	Women Accounts	Women Share (%)	Total Sanctioned (₹ Cr)	Women Sanctioned (₹ Cr)
2020	5,07,35,046	3,33,03,604	65.6%	3,21,759.25	1,31,303.35
2021	5,37,95,526	3,84,29,259	71.4%	3,39,110.35	1,66,422.47
2022	6,23,10,598	4,42,56,813	71.0%	4,56,537.98	2,16,954.16



2023	6,67,77,013	4,24,92,281	63.6%	5,41,012.86	2,25,887.08
2024	5,46,61,648	3,26,93,129	59.8%	5,52,801.78	2,08,234.01

Source: MUDRA Annual Reports, Ministry of Finance, Government of India (2020–2024).

Several significant trends emerge. Women consistently account for the majority of MUDRA beneficiaries — ranging from 59.8% in 2024 to a peak of 71.4% in 2021. This concentration of women in MUDRA borrowing reflects both the scheme's design intent and the relatively higher credit deprivation faced by women in the informal economy. Total MUDRA sanctions grew from ₹3,21,759 crore in 2020 to ₹5,52,802 crore in 2024 — a compound growth of approximately 14.5% — while women's sanctioned amounts grew from ₹1,31,303 crore to ₹2,08,234 crore over the same period. The slight dip in women's share in 2023 and 2024 warrants attention and may reflect increased uptake by male borrowers in the Tarun and Tarun Plus categories, as businesses scaled post-pandemic.

## 6. Category-wise MUDRA Access for Women Entrepreneurs (2020–2024)

A deeper disaggregation by MUDRA loan category — Shishu (up to ₹50,000), Kishore (₹50,001–₹5 lakh), and Tarun (₹5 lakh–₹10 lakh) — reveals the trajectory of women's entrepreneurial graduation, as presented in Table 3.

**Table 3: Category-wise MUDRA Loan Access for Women Entrepreneurs (2020–2024)**

Year	Shishu Accounts (Women)	Shishu Amt-Women (₹ Cr)	Kishore Accounts (Women)	Kishore Amt-Women (₹ Cr)	Tarun Accounts (Women)
2020	2,77,53,288	74,490.46	54,68,211	50,730.64	82,105
2021	3,04,41,921	89,621.66	78,92,778	70,027.90	94,560
2022	3,28,17,496	1,12,856.70	1,12,85,672	92,756.54	1,53,645
2023	3,01,93,055	1,09,355.45	1,21,04,591	1,02,677.87	1,94,635
2024	2,05,01,856	77,891.34	1,18,89,068	1,07,710.17	2,97,780

Source: MUDRA Annual Reports, Ministry of Finance (2020–2024). Amounts in ₹ Crore.

Women's participation in the Shishu category, though still the largest in absolute numbers, declined from 2.77 crore accounts in 2020 to 2.05 crore in 2024 — a drop partly attributable to a shift toward higher loan categories. Women's Kishore accounts rose sharply from 54.68 lakh in 2020 to 1.18 crore in 2024, and Tarun accounts for women more than tripled from 82,105 to 2,97,780 over the same period. This upward graduation pattern signals increasing enterprise maturity among women MUDRA borrowers and is consistent with Viksit Bharat's aspiration of scaling micro-enterprises into sustainable SMEs. Correspondingly, women's Kishore sanctioned amounts grew from ₹50,731 crore to ₹1,07,710 crore, reflecting deeper credit access for growth-stage women-led businesses.

## 7. Employment-to-Population Ratios and Self-Employment Dynamics

To contextualise MUDRA's impact within broader labour market outcomes, Table 4 presents employment-to-population ratios (EPR) and self-employment shares from World Bank-ILO modelled estimates for 2020–2024.

**Table 4: Employment-to-Population Ratio and Self-Employment Shares (2020–2024)**

Year	Female EPR (%)	Male EPR (%)	Total EPR (%)	Self-Emp. Female (%)	Self-Emp. Total (%)
2020	24.40	68.14	46.49	78.64	77.20
2021	25.58	70.05	47.88	78.17	76.65
2022	26.96	72.41	49.83	78.57	76.87
2023	33.66	73.18	53.43	80.10	76.13
2024	32.98	74.25	53.47	79.40	75.39

Source: World Bank DataBank — ILO Modelled Estimates, National Estimates (2020–2024). EPR = Employment-to-Population Ratio for population aged 15+.

The female EPR rose substantially from 24.40% in 2020 to 33.66% in 2023 — a gain of over 9 percentage points in three years — before a slight moderation to 32.98% in 2024. This improvement coincides precisely with the period of post-pandemic MUDRA expansion, suggesting a positive association between micro-credit access and female labour force participation. Male EPR also improved



but from a much higher base (68.14% to 74.25%), reflecting the persistent gender gap in employment participation.

Female self-employment consistently exceeds 78% of total female employment throughout the study period, peaking at 80.10% in 2023. This is a structurally significant finding: it indicates that the overwhelming majority of employed Indian women are self-employed, making microfinance schemes like MUDRA — which specifically fund self-employment — a primary driver of women’s economic engagement.

## 8. Gender-wise Employer Ratios: Bridging the Gap

While self-employment captures survival-oriented entrepreneurship, the ‘employer’ category — those who own enterprises and hire others — represents a higher order of entrepreneurial development and job-creation capacity. Table 5 examines gender-disaggregated employer ratios.

**Table 5: Employer Ratios by Gender (% of respective gender employment, 2020–2024)**

Year	Employers, Female (% of female emp.)	Employers, Male (% of male emp.)	Employers, Total (% of total emp.)	Self-Emp. Male (%)
2020	0.45%	2.68%	2.13%	76.73%
2021	0.46%	2.68%	2.10%	76.12%
2022	0.69%	3.66%	2.87%	76.25%
2023	0.50%	4.45%	3.36%	74.61%
2024	0.60%	4.41%	3.33%	73.81%

*Source: World Bank DataBank — ILO Modelled Estimates (2020–2024).*

Female employer ratios, while improving from 0.45% in 2020 to 0.60% in 2024, remain markedly lower than male ratios (2.68% to 4.41% over the same period). This persistent gap underscores that while MUDRA has successfully drawn women into the self-employment fold, the transition from self-employment to employer-level entrepreneurship — where women create jobs for others — remains a critical frontier. The policy implication is clear: sustained and deeper credit access, combined with entrepreneurship development support, is essential to bridge this employer gap. The newly introduced Tarun Plus category (₹10 lakh–₹20 lakh), effective October 2024, is a step in this direction.



## 9. Discussion: MUDRA, Women's Entrepreneurship, and Atmanirbhar Bharat

The data analysed across the five tables collectively presents a compelling narrative. Between 2020 and 2024, MUDRA disbursed over ₹22 lakh crore to women entrepreneurs — in a period when the Indian economy was simultaneously recovering from a global pandemic, undergoing rapid MSME formalisation, and executing the Atmanirbhar Bharat economic stimulus. The co-movement of female EPR improvements, MSME registration growth, and MUDRA disbursement expansion suggests an interconnected ecosystem in which credit access, formalisation, and employment feed into each other.

Within the Atmanirbhar Bharat framework, MUDRA's contribution operates along three key channels. First, the credit channel: by providing collateral-free loans, MUDRA converts latent entrepreneurial potential — particularly among women — into active economic participation. Second, the formalisation channel: MUDRA beneficiaries, especially those accessing Kishore and Tarun loans, are increasingly registered on the Udyam portal, contributing to MSME formalisation. Third, the employment channel: women's self-employment (consistently above 78%) is sustained and expanded by MUDRA-funded enterprises, contributing to the overall EPR improvement observed over the study period.

However, the data also reveals areas of concern. The gender gap in employer ratios (female: 0.60% vs. male: 4.41% in 2024) indicates that women-led enterprises remain disproportionately concentrated in subsistence-level self-employment, with limited capacity to scale and create employment for others. Addressing this gap requires not just credit but integrated support in the form of market linkages, digital literacy, and mentoring — dimensions that the current MUDRA framework does not fully address. While the MUDRA scheme has successfully facilitated the entry of women into entrepreneurial activities, the transition from self-employment to employer-led enterprises remains limited, indicating a gap between financial inclusion and entrepreneurial transformation.

## 10. Conclusion and Policy Recommendations

This paper has demonstrated, through a systematic tabular analysis of real-world data, that the MUDRA scheme is a significant institutional mechanism driving women's entrepreneurship and employment in India. Between 2020 and 2024, MUDRA has channelled over ₹22 lakh crore specifically to women entrepreneurs, supported the MSME sector's exponential growth on the Udyam portal, and contributed to measurable improvements in female employment-to-population ratios.



The scheme's alignment with Atmanirbhar Bharat is evident: by funding micro and small enterprises at the grassroots, MUDRA builds the foundation of a self-reliant economy from the bottom up. Women, who constitute the majority of MUDRA beneficiaries and account for over 78% of self-employed female workers, are at the centre of this transformation.

For MUDRA to fully realise its potential under Viksit Bharat 2047, the following policy directions are recommended: (i) expanding Tarun Plus uptake among women through targeted awareness campaigns; (ii) integrating MUDRA with skill development programmes under PM Vishwakarma and Startup India; (iii) linking MUDRA borrowers with e-commerce platforms for market access; (iv) establishing dedicated women entrepreneurship cells within MUDRA nodal offices; and (v) implementing a real-time impact monitoring system to track employment creation at the enterprise level. Together, these measures can accelerate the transition of women entrepreneurs from self-employment to employer-level enterprise ownership — a transition that is both an economic imperative and the true measure of Atmanirbhar Bharat.

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