MONEY AND CREDIT

Money supply and the smallest business loans

37.65%

Fall in Shishu reported accounts
FY 2024-25 to FY 2025-26

Shishu reported accounts fell 37.65% from FY 2024-25 to FY 2025-26, and disbursement fell 34.04%. Shishu covers loans up to Rs 50,000. Official evidence documents borrowers graduating to larger loans. The Government should explain how much that movement accounts for in this annual decline.

Contents

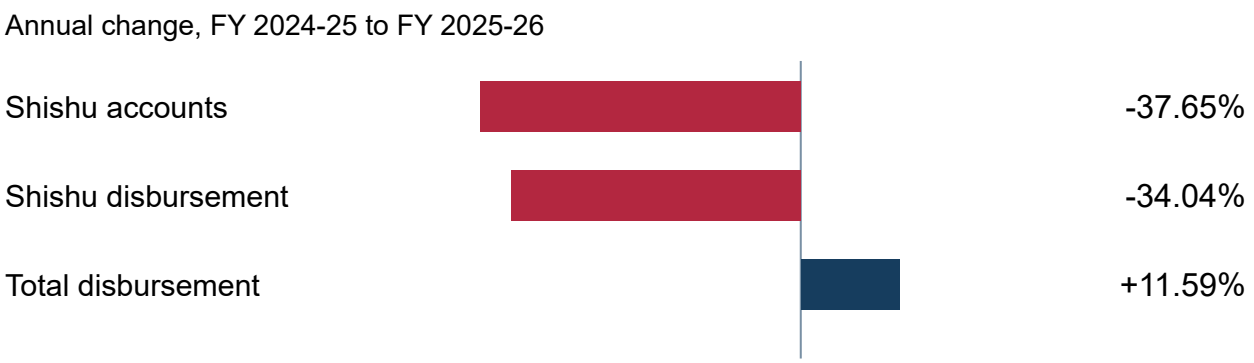
1. The smallest loan segment

2. Broader credit and the question

3. Sources and limits

Source: [1] MUDRA PMMY Overall Performance, financial year 2024-25 (Financial year 2024-25), pdf:1. Open original. [2] MUDRA PMMY Overall Performance, financial year 2025-26 (Financial year 2025-26), pdf:1. Open original. [7] Lok Sabha Starred Question 198 (2024-12-09), PDF page 2, statement on graduation; answer 9 December 2024.. Open original. [8] Lok Sabha Unstarred Question 2466 (2026-08-03), PDF page 2, subsection (ii)(c); answer 3 August 2026.. Open original.

What needs an explanation



RBI's Weekly Statistical Supplement gives annual M3 growth of 16.0% and commercial-sector credit growth of 17.7% on the same date, 15 October 2026. Commercial-sector credit therefore grew faster on that comparison. These figures do not support a claim that overall credit lagged money growth.

Annual MUDRA disbursements, CIBIL-SIDBI outstanding balances over March 2023 to March 2026, and RBI's later money and credit figures cover different periods and populations. A year's lending is a flow; an outstanding balance is a stock. Their comparison does not establish that rising M3 caused the earlier Shishu decline.

Provide linked figures for prior-year Shishu borrowers retaining Shishu, moving to Kishor, Tarun or Tarun Plus, obtaining other formal credit, or having no observed subsequent loan. Separate new entrants, repeat loans, exits and reporting changes. Define the follow-up window, duplicate-removal and overlap rules, and identify existing publications supplying these figures.

Source: [1] MUDRA PMMY Overall Performance, financial year 2024-25 (Financial year 2024-25), pdf:1. Open original. [2] MUDRA PMMY Overall Performance, financial year 2025-26 (Financial year 2025-26), pdf:1. Open original. [3] TransUnion CIBIL-SIDBI MSME Pulse, July 2026 (2026-07), pdf:9. Open original. [6] RBI Weekly Statistical Supplement, 23 October 2026 (2026-10-23), T_6, N9 and N19; reference year and date in C5 and D7: 15 October 2026.. Open original. [7] Lok Sabha Starred Question 198 (2024-12-09), PDF page 2, statement on graduation; answer 9 December 2024.. Open original. [8] Lok Sabha Unstarred Question 2466 (2026-08-03), PDF page 2, subsection (ii)(c); answer 3 August 2026.. Open original. [9] KPMG Impact Assessment of PMMY, NITI-sponsored (November 2023), PDF pages 19 and 20, method and limitations; page 94 (printed 85), lender practice and other schemes; page 100, interview question 15.. Open original.

Annexure: sources and limits

MUDRA labels the annual count No Of A/Cs. That label does not establish how many distinct people borrowed, how many were first-time borrowers, or how the same borrowers moved between loan bands. The account decline alone cannot establish rejections or explain its cause.

Official evidence documents a pathway from Shishu to larger loans as businesses grow. Its contribution to the FY 2024-25 to FY 2025-26 decline needs to be measured. Linked borrower figures should show how many followed that pathway, how many obtained other formal credit, and how many had no observed subsequent loan.

The CIBIL-SIDBI exposure bands group entities by aggregate borrowing exposure. They do not describe single-loan sizes or statutory MSME classes, and they do not track a fixed cohort. The up-to-Rs 2 lakh band holds only 0.1% of portfolio balance at March 2026; movement between bands may affect its measured growth. The March 2026 data are provisional.

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