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 annual reported accounts fell 37.65% from FY 2024-25 to FY 2025-26, while disbursement fell 34.04%. These loans cover amounts up to Rs 50,000. Official evidence documents borrowers graduating to larger loans; the question is how many followed that path during this decline, and where the other borrowers went.

Where did the previous year's Shishu borrowers go? The Government should provide linked borrower figures showing who retained Shishu, moved to Kishor, Tarun or Tarun Plus, obtained other formal credit, or had no observed subsequent loan. It should identify any existing publication that supplies 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. [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. Annual reported accounts; not distinct people.

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Each table keeps its own period and unit. Sources open from the numbered references on the page.

Where the account count fell

MUDRA's annual table also records Shishu disbursement falling 34.04%, from Rs 103,424.68 crore in FY 2024-25 to Rs 68,216.54 crore in FY 2025-26. Both the reported account count and the money disbursed fell within this entry-level band over the same financial years.

PMMY category	FY 2024-25 accounts	FY 2025-26 accounts	Change
Shishu	27,741,792	17,297,817	-37.65%
Kishor	24,969,887	30,431,772	+21.87%
Tarun	1,919,542	2,197,883	+14.50%
Tarun Plus	30,427	99,077	+225.62%
Total	54,661,648	50,026,549	-8.48%

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.

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. [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. PMMY: Pradhan Mantri MUDRA Yojana. The column is labelled No Of A/Cs.

What the official evidence establishes

The Finance Minister's Lok Sabha reply of 9 December 2024 describes borrowers moving from Shishu to Kishor and Tarun over the years. The Finance Ministry's reply of 3 August 2026 cites a November 2023 NITI-sponsored KPMG assessment reporting graduation among first-time entrepreneurs. Both establish documented evidence that must inform the explanation sought.

The November 2023 NITI-sponsored KPMG assessment describes lender practice after timely repayment and movement outside PMMY as borrowing needs increase. Its method was qualitative lender interviews, without a beneficiary survey. That older study cannot quantify linked borrower transitions from FY 2024-25 to FY 2025-26.

Annual reported account change	FY 2025-26 versus FY 2024-25
Shishu	-104.44 lakh
Kishor, Tarun and Tarun Plus combined	+58.09 lakh
Total MUDRA	-46.35 lakh

The increase shown for the larger bands is the difference between their annual reported account totals. It neither measures gross borrower graduation nor sets an upper bound on it. Annual reported accounts do not identify distinct people or follow their borrowing histories. A borrower moving outside PMMY may still receive formal credit through another scheme or lender.

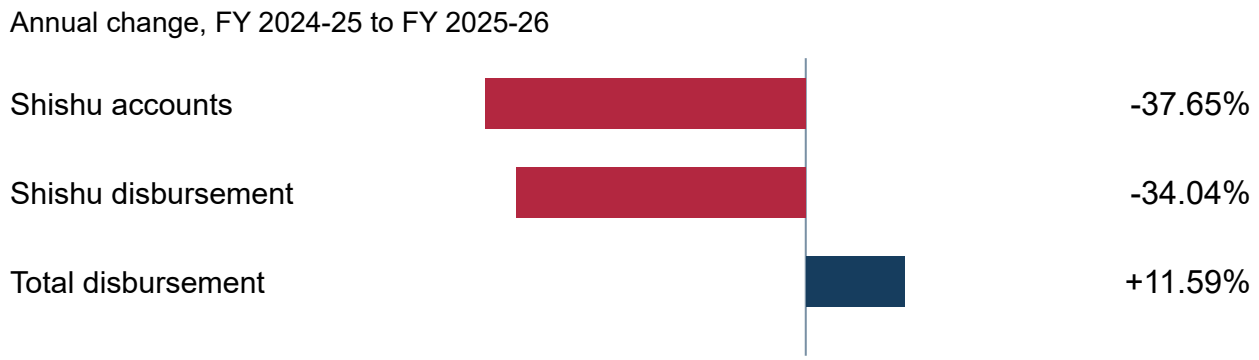
No quantified table linking Shishu borrowers from FY 2024-25 to FY 2025-26 was located in the specific official materials checked. The Government should identify publications supplying those figures and explain the annual decline through linked borrower movements, with a stated follow-up window and rules for removing duplicates and handling overlaps.

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. [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. The net changes are calculated from the two annual tables. They do not quantify the number of borrowers graduating.

Total lending value rose

PMMY category	FY 2024-25	FY 2025-26	Change
Shishu	103,424.68	68,216.54	-34.04%
Kishor	279,571.54	347,611.49	+24.34%
Tarun	154,633.24	174,423.04	+12.80%
Tarun Plus	4,173.13	14,366.66	+244.27%
Total	541,802.58	604,617.73	+11.59%

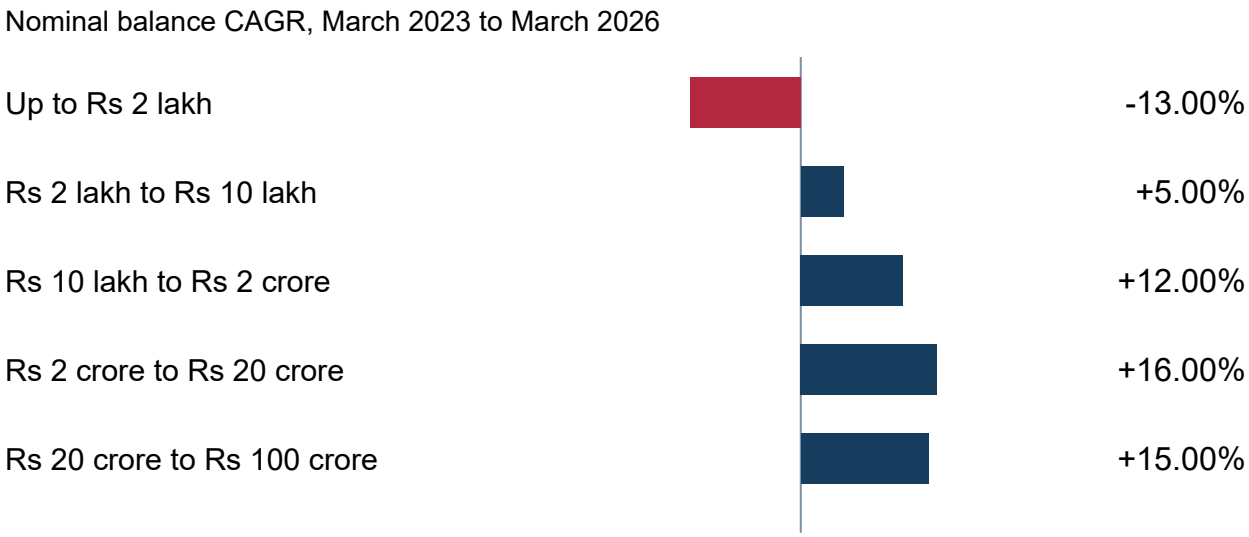
Disbursement amounts are in rupees crore. Shishu covers loans up to Rs 50,000.



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. Changes calculated as 100 × (FY 2025-26 / FY 2024-25 - 1); rounded to two decimals.

Smaller entity exposures grew less

CIBIL-SIDBI's July 2026 report gives nominal outstanding-balance compound annual growth rate (CAGR) for March 2023 to March 2026 by entities' aggregate exposure: up to Rs 2 lakh, -13%; Rs 2-10 lakh, 5%; Rs 10 lakh-2 crore, 12%; Rs 2-20 crore, 16%; Rs 20-100 crore, 15%. Individual business-purpose borrowing grew 22% on its separate measure.



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.

Source: [3] TransUnion CIBIL-SIDBI MSME Pulse, July 2026 (2026-07), pdf:9. Open original. PDF page 9 (printed page 6), chart; methodology pages 6 and 35. March 2026 data provisional.

Broader credit is growing

WSS measure, 15 October 2026	Published annual growth
Broad money, M3	16.0%
Bank credit to commercial sector	17.7%

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.

Selected-bank sector	July 2026 annual growth
Industrial micro and small	22.6%
Priority-sector MSE	24.1%
Weaker sections	15.2%

The 31 July 2026 selected-bank figures show industrial micro/small credit growth of 22.6%, priority MSE (micro and small enterprises) growth of 24.1%, and weaker-sections growth of 15.2%. RBI's August 2026 release reports agriculture at 17.2%, industry at 18.2%, services at 24.3%, and personal loans at 16.9%. These broader measures show positive 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.

Source: [4] RBI Sectoral Deployment of Bank Credit, July 2026 (2026-08-31), cells:Statement 1!H12. Open original. [5] RBI Sectoral Deployment of Bank Credit, August 2026 (2026-09-30), PDF pages 1 and 2; sector bullets and SIBC timing footnote on page 1; personal-loan bullet on page 2.. 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. July: Statement 1, H12, H42, H50, reference 31 July 2026 versus 25 July 2025. WSS: T_6 N9/N19. Sector and WSS populations differ.

Annexure: sources and meaning

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.

M3 is a broad stock of currency and bank deposits. MUDRA disbursement is a flow during a financial year. Accounts are not a count of distinct people. Entity exposure is the combined borrowing reported for an entity.

The held annual MUDRA tables do not identify borrower transitions, rejected applications or the causes of the Shishu decline. The CIBIL exposure chart does not follow a fixed cohort. These sources support a question about entry-level lending, rather than a conclusion that credit was refused.

Borrower follow-up requested	What the figures should distinguish
Further Shishu borrowing	Follow prior-year borrowers into later Shishu loans.
Larger PMMY categories	Identify movement to Kishor, Tarun or Tarun Plus.
Other formal credit	Identify borrowing outside PMMY.
No observed subsequent loan	State the follow-up window and observation limits.
New entrants and repeat loans	Separate them from movement of earlier borrowers.
Duplicates and overlapping paths	Define how borrowers and multiple loans are counted.

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. [4] RBI Sectoral Deployment of Bank Credit, July 2026 (2026-08-31), cells:Statement 1!H12. Open original. [5] RBI Sectoral Deployment of Bank Credit, August 2026 (2026-09-30), PDF pages 1 and 2; sector bullets and SIBC timing footnote on page 1; personal-loan bullet on page 2.. 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. [10] Economic Survey 2025-26, Box III.4 (2026), Held combined PDF pages 156 to 158; printed page 106, PMMY interpretation. Adjacent loan-cycle figures concern PM SVANidhi.. Open original. The latest detailed sector workbook verified here is July 2026. The August release supplies broad sectors; its exact prior-year SIBC comparator date is not stated. No unverified August size-band rate is used.