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MAGAZINE NOTES

11 Years of PM MUDRA Yojana: Funding the Unfunded

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11 Years of PM MUDRA Yojana: Funding the Unfunded

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Source: PIB Backgrounder, April 8, 2026

Launched on **April 8, 2015** with the slogan “Funding the Unfunded”, the Pradhan Mantri MUDRA Yojana completed 11 years having sanctioned **57.79 crore loans worth Rs 40.07 lakh crore** (as of March 27, 2026). Over 12 crore of those accounts belong to first-time entrepreneurs.

THE FOUR LOAN CATEGORIES

CATEGORY	SLAB
Shishu	Up to Rs 50,000
Kishor	Above Rs 50,000 to Rs 5 lakh
Tarun	Above Rs 5 lakh to Rs 10 lakh
Tarun Plus (2024)	Above Rs 10 lakh to Rs 20 lakh, for repeat Tarun borrowers

Loans are **collateral-free up to Rs 20 lakh**, for non-corporate, non-farm micro and small enterprises plus allied agriculture.

HOW IT WORKS

MUDRA Ltd is a **refinance agency, not a direct lender**: it refinances Member Lending Institutions (scheduled commercial banks, RRBs, small finance banks, NBFCs, MFIs) that do the actual lending. Credit risk is covered by the **CGFMU guarantee administered by NCGTC**. The **JanSamarth portal** (14 credit-linked schemes, 200+ lenders) is the digital front door.

THE INCLUSION STORY (FY 2024-25)

- Women: **59.81 percent of loan accounts** (37.45 percent of disbursed amount)
- New entrepreneurs: 21 percent of accounts, 30.09 percent of amount
- SC + ST + OBC borrowers: 45.52 percent of accounts
- Top disbursement states: Uttar Pradesh (Rs 58,111 crore), Bihar (Rs 54,064 crore), Maharashtra (Rs 50,762 crore)

- MUDRA Ltd posted its highest-ever profit: Rs 827 crore+

MAINS ANGLE

Strengths: the deepest formal-credit penetration ever achieved at the micro end; women's majority share makes it the largest women-led-development credit instrument. **Critiques to balance:** average ticket sizes stay small (Shishu-heavy), employment per loan is thin, and NPA discipline depends on lender incentives the refinance model only partly controls. **Way forward:** graduate borrowers up the Shishu-Kishor-Tarun ladder, link with skilling (PMKVY) and market access (ONDC, GeM).

📌 FACTS CORNER — KNOWLEDGEPEDIA

SCALE (AS OF MARCH 27, 2026):

57.79 crore loans; Rs 40.07 lakh crore sanctioned; 12 crore+ new-entrepreneur accounts

DESIGN:

Shishu / Kishor / Tarun / Tarun Plus (Rs 20 lakh ceiling, added 2024); collateral-free

MUDRA = refinance agency; guarantee via CGFMU under NCGTC; JanSamarth portal front-end

INCLUSION (FY 2024-25):

Women 59.81 percent of accounts; SC/ST/OBC 45.52 percent

Top states: UP, Bihar, Maharashtra

Launched April 8, 2015; in April 2026 e-NAM and UPI also marked anniversaries (both launched April 2016; e-NAM connects 1,522 mandis)

Sources: PIB , MUDRA

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