



PRADHAN MANTRI MUDRA YOJANA AND MSME FINANCING IN INDIA: A SOCIO-ECONOMIC EVALUATION

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Abstract: Micro, Small and Medium Enterprises (MSMEs) have long been recognized as crucial drivers of both job creation and broader economic growth in India. Despite their importance, many MSMEs still struggle to secure loans from formal financial institutions, which often hampers their ability to expand. In an effort to tackle this persistent issue, the Indian government introduced the Pradhan Mantri Mudra Yojana (PMMY) in 2015, aiming to extend collateral-free loans specifically to micro and small businesses. The present study evaluates the scheme's progress over nearly a decade by analysing trends in credit distribution across different loan categories and examining the social and economic impact of PMMY from 2015-16 through 2024-25. By relying on secondary data and calculating compound annual growth rates (CAGR), the study finds a notable rise in the overall volume of PMMY loans. Additionally, there has been a gradual shift away from Shishu loans towards larger Kishore and Tarun loans, which suggests that MSMEs are accessing more substantial credit as they mature. The study also finds that PMMY has reached a significant number of women and members of marginalized communities, highlighting its role in advancing financial inclusion and nurturing entrepreneurship across diverse segments of Indian society.

Keywords: Financial Inclusion, PMMY, Socio-Economic Analysis

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are often considered as the foundation of economic growth in developing countries like India. It serves

as an engine of employment generation, driving regional equity and fostering entrepreneurship (Martinravi & Krishnasamy, 2025). MSMEs gained formal recognition under principle legislative framework of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Classification under this Act has been revised periodically to reflect the country's evolving macroeconomic conditions. The most recent revision was issued by Ministry of Micro, Small and Medium Enterprises, effective from April 1, 2025. This revision superseded the existing threshold, which were introduced in 2020 and raised investment limits. Under the revised framework, micro enterprises are defined as entities with investment in plant and machinery or equipment not exceeding ₹2.5 crore and annual turnover up to ₹10 crore; small enterprises are those with investment up to ₹25 crore and turnover up to ₹100 crore; and medium enterprises are classified with investment up to ₹125 crore and turnover up to ₹500 crore (Ministry of MSME, 2025). The sector's macroeconomic significance is highlighted by its 30 percent contribution to GDP, accounting for around 35 percent manufacturing output and representing nearly 45 percent of nation's total exports (SIDBI, 2025). The significance goes beyond national borders; MSMEs worldwide account for approximately 90 percent of all businesses, between 60 to 70 percent of employment and roughly 50 percent of global GDP (Kumar et al., 2025).

According to Annual report of MSMEs in 2025, India's MSMEs are characterised by concentration of micro level. Approximately 99 percent of the registered enterprises under the Udyam portal are micro enterprises. Small and micro enterprises often suffer from inadequate credit availability, collateral-related challenges and limited access to formal banking challenges, which usually restricts their growth and expansion (Lama, 2012; Yadav, 2012). Enterprises operating in rural and semi-urban areas face financial exclusion, which results in dependence on informal sources of finance and limited credit deepening (Kannan & Sudalaimuthu, 2014). To address this credit gap, the Government of India introduced the Pradhan Mantri Mudra Yojna (PMMY) on 8 April, 2015 with the objective of "Funding the Unfunded." The scheme is operationalised through the Micro Units Development and Refinance Agency (MUDRA) Ltd., a wholly owned subsidiary of the Small Industries Development Bank of India (SIDBI). The scheme aims to provide collateral-free credit to non-corporate and non-farm enterprises which are engaged in manufacturing, trading, services and allied agricultural activities (Press Information Bureau (PIB), 2026).

Pradhan Mantri Mudra Yojna (PMMY) categorises loans into different segments: Shishu, Kishore and Tarun. According to the MUDRA framework, Shishu category includes loans up to ₹50,000 and mainly targets small start-ups and micro-businesses at the initial stage of operation. The Kishore category covers loans above ₹50,000 and up to ₹5 lakh for enterprises which requires additional funds for business expansion and meeting working capital needs. The Tarun category extends loans above ₹5 lakh and up to ₹10 lakh for comparatively established micro-enterprises which are seeking large-scale financial assistance for growth and capacity expansion (Micro Units Development and Refinance Agency Ltd. (MUDRA), 2016). In 2024, the scheme further introduced the Tarun Plus category, which provides loans above ₹10 lakh and up to ₹20 lakh to borrowers with successful repayment history under the Tarun category (MUDRA, 2024).

Over the years, PMMY has witnessed substantial expansion both in terms of borrower outreach and credit disbursement and has emerged as one of the largest institutional micro-credit programs in India. The scheme has reached 32 crore loan accounts and has cumulative credit disbursement of ₹32 lakh crore (MUDRA, 2025). PMMY is more than just a credit distribution scheme, as it aims to improve financial inclusion among economically and socially disadvantaged groups. By providing collateral-free institutional credit, the scheme supports small self-employed units and borrowers belonging to Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC) and minority communities, thereby promoting livelihood generation and entrepreneurship within the MSME sector (MUDRA, 2024).

As financing for MSMEs becomes increasingly significant in India, it is essential to look at how PMMY loans have changed and are distributed over time. Doing so not only sheds light on how financial inclusion is developing, but also helps us understand the wider social and economic impact of the scheme.

2. Literature Review

Agarwal and Dwivedi (2017) as well as Bindal and Singh (2022) pointed out that, although small and micro enterprises play a crucial role in creating jobs in India, they still encounter ongoing challenges. These include limited financial literacy, insufficient infrastructure, high costs to start up and difficulties in securing loans from formal institutions. Their research emphasized that the introduction of the Pradhan Mantri Mudra Yojana (PMMY) in 2015 was a response to these hurdles, aiming to offer collateral-free loans to small businesses through the Shishu, Kishore

and Tarun categories. Similarly, Varshney (2023) highlighted that MSMEs are key contributors to economic and social progress, yet they often remain outside the reach of formal financing due to complicated and rigid banking requirements. According to Varshney, PMMY was created to “fund the unfunded” by providing loans of up to ₹10 lakh to micro-enterprises operating in manufacturing, trade or services outside the agricultural sector. Ramesh (2016) demonstrated that PMMY brought formal, collateral-free credit to micro-businesses across the country but disparities are observed significantly across states. Poornima (2019), using PMMY data from 2015–16 to 2018–19, found a steady rise in the number of sanctioned and disbursed loans across Shishu, Kishore and Tarun categories, with the Shishu segment representing the highest number of active loan accounts. Bhura and Jha (2019) noted that Tamil Nadu emerged as the largest beneficiary state of the scheme.

Satsangi (2020) examined PMMY from a socio-economic perspective and argued that the scheme contributed toward poverty reduction, women empowerment and livelihood generation by improving access to institutional finance among marginalized groups. K.M. et al. (2022) demonstrated that Mudra loans successfully expanded into allied agricultural sector in Coimbatore; where 89% of total sanctions went to women.

Although existing literature has discussed the role of PMMY in promoting financial inclusion, most studies remain largely descriptive and confined to initial years of the scheme or state-level performance. Limited attention has been paid to the long-term transformation in category-wise credit distribution under the programme. Very few studies have examined whether PMMY has contributed toward credit deepening. Existing literature also provides insufficient empirical evidence regarding the socio-economic analysis of PMMY credit among women, Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC) and minority communities over time. Since PMMY has now completed a decade of implementation, a comprehensive long-term analysis becomes necessary to understand the evolving trends in credit expansion, category-wise lending patterns and socio-economic outreach under the scheme. Therefore, the present study attempts to address these gaps by undertaking a decade-long analysis of PMMY during 2015–16 to 2024–25 using secondary data. The objectives of the study are:

1. To examine the growth of PMMY credit during 2015–16 to 2024–25.
2. To analyse the category-wise distribution of PMMY loan accounts and credit disbursement under Shishu, Kishore, Tarun and Tarun Plus categories.

3. To examine the socio-economic distribution of PMMY credit among women and marginalized social groups such as SC, ST, OBC and minority communities.

3. Research Methodology

Research Design

The present study is descriptive in nature as it examines the growth and socio-economic analysis of the Pradhan Mantri Mudra Yojna (PMMY) during the period 2015-16 to 2024-25. The study primarily focuses on analysing long-term trends in PMMY credit expansion, category-wise loan distribution and distribution of institutional credit among marginalized communities such as Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), women and minorities.

Data Collection Sources:

The study is based entirely on secondary data collected through official sources. The dataset was collected and compiled from official, publicly available PMMY Annual reports which are published by the Micro Units Development and Refinance Agency (MUDRA) and operational dashboard of the Ministry of Micro, Small and Medium Enterprises (MSMEs), Government of India. The timeframe of the study covers a ten-year operational matrix since the program's inception in 2015-16 to 2024-25.

Data Analysis

To examine long-term growth patterns, the study employs descriptive statistical techniques such as percentages and Compound Annual Growth Rate (CAGR) analysis. CAGR is used to measure average annual growth rate of key indicators over the study period. The CAGR formula is as follows:

$$CAGR = \left(\frac{EV}{BV} \right)^{\frac{1}{n}} - 1$$

where:

- EV represents the final value
- BV represents the initial value
- n denotes the number of years.

4. Results and Findings

This section presents the empirical findings and analysis of the Pradhan Mantri Mudra Yojana (PMMY) during its first decade of implementation, starting from 2015-16 to 2024-25. The analysis focuses on the overall growth of PMMY credit, category-wise distribution of loan accounts, credit allocation and the extent of financial inclusion among marginalized social groups. Table 1 below presents the overall performance of the Pradhan Mantri Mudra Yojna (PMMY) during the period 2015-16 to 2024-25.

Table 1: PMMY Credit Expansion During 2015-16 to 2024-25

(in ₹)

Year	Total Amount Sanctioned (₹ crore)	Total Amount Disbursed (₹ crore)	Average Loan Size (₹)
2015-16	₹1,37,449	₹1,32,955	₹39,405
2016-17	₹1,80,529	₹1,75,312	₹45,472
2017-18	₹2,53,677	₹2,46,437	₹52,739
2018-19	₹3,21,723	₹3,11,811	₹53,736
2019-20	₹3,37,495	₹3,29,715	₹54,218
2020-21	₹3,21,759	₹3,11,754	₹63,420
2021-22	₹3,39,110	₹3,31,402	₹63,412
2022-23	₹4,56,538	₹4,50,424	₹72,287
2023-24	₹4,41,013	₹5,32,358	₹79,722
2024-25	₹5,52,802	₹5,41,803	₹98,119
CAGR	16.7%	16.9%	10.7%

Source: Compiled and calculated from PMMY Annual Reports 2015-16 to 2024-25.

The findings indicate substantial expansion in PMMY operations over the study period. Total credit capital sanctioned under the program expanded at an aggressive CAGR of 16.73 percent, growing from ₹1,37,449 crore to ₹5,52,802 crore. And, the actual flow of funds closely matched this pace, with total disbursements increasing at a CAGR of 16.89 percent, moving from ₹1,32,955 crore to ₹5,41,803 crore. This indicates alignment between credit approvals and cash outlays which is a sign of high operational efficiency within the banking system which ensures that sanctioned credit is soon converted into productive credit utilisation. This upward graduation is backed up by another metric of average loan size. This grew at a CAGR of 10.7 percent over the decade, nearly doubling from ₹39,405 in 2015-16 to ₹98,119 in 2024-25.

Table 2 below shows total number of PMMY accounts and distribution of accounts across Shishu, Kishore and Tarun sub-categories.

Table 2: Category-wise Distribution of PMMY Loan Accounts during 2015-16 to 2024-25

Year	No. of Loan Accounts	No. of Shishu Accounts	Shishu (% of Accounts)	No. of Kishore Accounts	Kishore (% of Accounts)	No. of Tarun Accounts	Tarun (% of Accounts)
2015-16	3.49	3.24	92.90	0.21	5.90	0.04	1.20
2016-17	3.97	3.65	91.94	0.27	6.71	0.05	1.35
2017-18	4.81	4.27	88.65	0.47	9.67	0.08	1.68
2018-19	5.99	5.15	86.00	0.66	11.00	0.18	3.00
2019-20	6.22	5.45	88.00	0.65	10.00	0.13	2.00
2020-21	5.07	4.02	79.20	0.95	18.70	0.11	2.10
2021-22	5.38	4.17	77.60	1.11	20.60	0.10	1.80
2022-23	6.23	4.31	69.13	1.79	28.75	0.13	2.12
2023-24	6.68	4.16	62.34	2.36	35.39	0.15	2.27
2024-25	5.47	2.77	50.75	2.50	45.68	0.19	3.51
CAGR	5.12%	-1.71%		31.68%		18.70%	

Source: Compiled and calculated from PMMY Annual Reports 2015-16 to 2024-25

Note: Category percentages may not total exactly 100% due to rounding and number of loan accounts in Crore.

The total number of loan accounts increased from 3.49 crore to 5.47 crore accounts, although at a relatively lower CAGR of 5.1 percent as compared to 16.9 percent CAGR for amount disbursed. Accounts grew at 5.1 percent, at a lower CAGR of 16.9 percent for amount is empirical evidence of credit deepening. Over the full decade, cumulative credit flows have exceeded ₹32 lakh crore, reaching more than 52 crore loan accounts.

A significant structural transformation is visible in the category-wise composition of PMMY accounts. The Shishu category accounts (loans up to ₹50,000) dominated the scheme, accounting for 92.9 percent accounts in 2015-16. Over the next ten years, however, Shishu accounts experienced a decline, recording a negative CAGR of -1.7 percent. By 2024-25, Shishu's share of total accounts dropped to 50.7 percent, meaning it only represents half of the active borrower base. In contrast, Kishore accounts (₹50,000 to ₹5 Lakh) registered the fastest growth, increasing at a CAGR of 31.9 percent, with their absolute values expanding from 20,69,461 to 2.5 crore accounts which increased their share from 5.9 percent to 45.68 percent. Moreover,

Tarun accounts (₹5 Lakh to ₹10 Lakh) also demonstrated expansion with a CAGR of 18.7 percent, increasing from 4.1 lakh accounts to 19 lakh accounts. Although the overall share of Tarun accounts remained relatively smaller as compared to other categories, the gradual increase suggests growing participation of borrowers in larger-ticket enterprise financing segments. The introduction of the Tarun Plus category in the year 2024, reflects the evolving nature of PMMY from micro-credit outreach toward advanced enterprise financing. The category recorded nearly 30,427 accounts during its first year, which suggests emerging demand for larger-scale institutional credit among growing micro-enterprises.

These trends indicate a gradual shift of beneficiaries from survival-oriented nano-credit to relatively larger and growth-oriented enterprise financing. The growing share of Kishore and Tarun accounts reflects a growing credit absorption capacity of micro-enterprises and a gradual formalization and growth of entrepreneurial activity under the programme.

However, looking at the data long-term also reveals how micro-credit systems are vulnerable to broader economic shocks. For the first few years, the total number of active loan accounts rose without interruption, peaking at 6.22 crore in 2019-20, but that momentum took a major hit when the COVID-19 pandemic arrived in 2020-21, causing active credit accounts to drop sharply by nearly 1.15 crore. By 2024-25, even though the average loan size (as shown in Table 1) hit a record high, the total number of active accounts dropped back down to 5.47 crore from the previous year's 6.68 crore.

Table 3 presents the category-wise distribution of PMMY credit amount disbursed across Shishu, Kishore, Tarun and Tarun Plus during 2015-16 to 2024-25.

Table 3: Category-wise Distribution of PMMY Credit Amount during 2015-16 to 2024-25

(₹ in Crore)

<i>Year</i>	<i>Category</i>	<i>Amount Sanctioned</i>	<i>% Share (Sanctioned)</i>	<i>Amount Disbursed</i>	<i>% Share (Disbursed)</i>
2015-16	Shishu	62,894.96	45.76	62,027.69	46.72
	Kishore	43,052.55	31.32	41,073.28	30.94
	Tarun	31,501.76	22.92	29,853.76	22.48
2016-17	Shishu	85,100.74	47.14	83,891.88	47.85
	Kishore	53,545.14	29.66	51,063.12	29.13
	Tarun	41,882.66	23.20	40,357.13	23.02
2017-18	Shishu	1,06,001.60	41.79	1,04,228.05	42.30

<i>Year</i>	<i>Category</i>	<i>Amount Sanctioned</i>	<i>% Share (Sanctioned)</i>	<i>Amount Disbursed</i>	<i>% Share (Disbursed)</i>
	Kishore	86,732.16	34.19	83,197.09	33.76
	Tarun	60,943.34	24.02	59,012.25	23.94
2018–19	Shishu	1,42,345.25	44.25	1,39,651.55	44.79
	Kishore	1,04,386.68	32.45	99,868.00	32.03
	Tarun	74,990.86	23.31	72,291.84	23.18
2019–20	Shishu	1,63,559.00	48.46	1,62,813.00	49.38
	Kishore	95,579.00	28.32	91,427.00	27.73
	Tarun	78,358.00	23.22	75,475.00	22.89
2020–21	Shishu	1,09,953.00	34.17	1,08,637.00	34.85
	Kishore	1,32,516.00	41.18	1,27,240.00	40.81
	Tarun	79,290.00	24.64	75,877.00	24.34
2021–22	Shishu	1,24,747	36.79	1,23,969	37.41
	Kishore	1,37,644	40.58	1,33,389	40.25
	Tarun	76,719	22.62	74,044	22.34
2022–23	Shishu	1,42,766	31.27	1,41,610	31.44
	Kishore	2,04,007	44.69	2,009,37	44.61
	Tarun	1,09,765	24.04	1,07,877	23.95
2023–24	Shishu	1,48,937.00	27.53	1,47,785.00	27.76
	Kishore	2,62,285.00	48.48	2,57,094.00	48.29
	Tarun	1,29,791.00	23.99	1,27,479.00	23.95
2024–25	Shishu	1,04,151	18.84	1,03,424.68	19.09
	Kishore	2,86,040	51.74	2,79,571.54	51.60
	Tarun	1,58,308	28.64	1,54,633.24	28.54
	Tarun Plus	4,303	0.78	4,173.13	0.77
CAGR	Shishu	-		5.81%	
(10-Year)	Kishore	-		23.75%	
	Tarun	-		20.11%	

Source: Compiled and calculated from PMMY Annual Reports (2016-17 to 2024-25).

Note: Category percentages may not total exactly 100% due to rounding.

The findings in Table 3 reveal significant transformation in the category-wise distribution of PMMY credit during 2015-16 to 2024-25. In the initial years, Shishu loans accounted for the largest share of both sanctioned and disbursed credit, constituting nearly 45.8 percent and 46.7 percent respectively in 2015-16. Over the next ten years, the composition shifted entirely. Absolute Shishu disbursements recorded a steady CAGR of 5.81 percent, however, their relative share of the overall credit pool fell to an all-time low of 19.09 percent (₹1,03,424.68 crore) in 2024–25. The drop in nano-credit was balanced out by significant growth in loans under the

Kishore and Tarun categories. Notably, Kishore loans saw an impressive compound annual growth rate (CAGR) of 23.75 percent, with their share of total disbursed funds rising from ₹41,073.28 crore in the initial year to a substantial 51.60 percent (₹2,79,571.54 crore) by 2024-25. Tarun loans also experienced steady gains, with a CAGR of 20.11 percent, increasing their share of the overall credit pool from 22.48 percent in 2015-16 to 28.54 percent (₹1,54,633.24 crore) at the end of the decade.

Looking at these changes from a socio-economic angle, the shift indicates a clear trend toward deeper capital investment within the sector. The robust growth in Kishore and Tarun loans suggests that banks have moved beyond offering just basic, short-term funds and are now supporting genuine business expansion.

While the transition across loan categories highlights this pattern of credit deepening, a full understanding of its social impact depends on examining how these funds are distributed among groups that have traditionally been underserved. To shed light on this aspect, Table 4 below shows how sanctioned credit was allocated to various social groups between 2016-17 and 2024-25.

Table 4: Credit Flow to Marginalised Social Groups under PMMY during 2016-17 to 2024-25

(₹ in Crore)										
Group	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	CAGR
SC	18,898	24,378	29,957	34,662	30,824	37,304	47,272	57,433	47,711	12.3%
ST	5,273	8,000	11,054	13,794	12,730	14,453	17,294	19,896	19,585	18.2%
OBC	43,773	53,673	60,583	65,428	62,263	73,470	99,412	1,11,759	1,04,850	11.5%
Women	80,290	1,03,254	1,33,034	1,45,182	1,31,303	1,66,422	2,15,035	2,22,297	2,02,900	12.3%
Minority	20,276	24,092	30,124	30,924	26,917	41,311	45,329	45,088	41,134	9.2%
TOTAL	1,80,529	2,53,677	3,21,723	3,37,495	3,21,760	3,39,110	4,50,424	5,32,358	5,41,803	14.7%

Source: Compiled and calculated from PMMY Annual Reports (2016-17 to 2024-25).

At first glance, every marginalized segment experienced positive growth over eight-year period. When the growth rates for individual social groups are compared with the program's overall CAGR of 14.7 percent, clear differences emerge in how effectively financial inclusion has reached various communities. However, Scheduled Tribe (ST) beneficiaries, noted the fastest growth, with their credit access rising at a CAGR of 18.2 percent. The amount of credit extended to ST entrepreneurs climbed from ₹5,273 crore at the start to ₹19,585 crore by the end of the study period, which indicates meaningful progress in reaching groups that have often been left out, especially those in remote areas.

On the other hand, entrepreneurs from Scheduled Caste (SC) and Other Backward Classes (OBC) backgrounds experienced slower credit growth, with CAGRs of 12.3 percent and 11.5 percent respectively, both below the program average. Minority-owned businesses recorded the slowest gain, with their funding growing at just 9.2 percent. A similar trend was found among women entrepreneurs, although the total funding they received more than doubled from ₹80,290 crore to ₹2,02,900 crore, their growth rate was 12.3 percent, matching the SC group and falling behind the program's speed.

These patterns suggest that while outreach has expanded, it does not necessarily translate to fair or equal access to larger amounts of capital. PMMY data further shows that most women borrowers remain concentrated in the Shishu loan category, with relatively few moving on to secure higher-value loans for more substantial business growth.

Table 5 presents distribution of PMMY loan accounts among socially marginalised groups, as a percentage of total programme accounts during 2016–17 to 2024–25.

**Table 5: Distribution of Loan Accounts among social groups during 2016-17 to 2024-25
(% of Total PMMY Accounts)**

Group	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
SC	17.97	17.67	15.79	16.52	16.55	17.41	16.59	15.56	14.52
ST	4.51	5.28	5.58	6.25	6.16	6.54	5.68	5.04	5.22
SC + ST	22.48	22.95	21.37	22.77	22.71	23.95	22.27	20.60	19.74
OBC	34.19	31.54	25.62	25.03	26.31	27.73	28.22	26.35	25.78
SC+ST+OBC	56.67	54.49	46.99	47.80	49.02	51.68	50.49	46.95	45.52
Women	73.42	69.72	61.91	62.82	65.64	71.44	71.03	63.63	59.81
Minority	12.98	10.95	10.44	10.33	8.22	13.85	12.06	9.92	9.35

Source: Compiled and calculated from PMMY Annual Reports (2016-17 to 2024-25).

The findings indicate that PMMY has achieved substantial outreach among socially and economically marginalized groups. Throughout the years covered in this study, SC, ST, and OBC borrowers together made up almost half of all PMMY loan accounts. However, their combined share dropped over time, going from 56.67 percent in 2016–17 to 45.52 percent in 2024–25. Women were the largest group by account ownership, making up about 60 to 73 percent of all accounts in most years. This shows that women have played a major role in accessing micro-credit through the program.

Still, there has been a slow decline in the share of women and other disadvantaged groups in recent years. This could mean that as PMMY grows, more diverse types of businesses and borrowers are joining the program. On the other hand, minority communities held a smaller portion of accounts, with their share ranging from around 8 to 13 percent during the study period.

Table 6 presents the share of total PMMY credit amount received by socially marginalised groups during 2016–17 to 2024–25.

**Table 6: Share of Credit Amount among social groups during 2016-17 to 2024-25
(% of Total PMMY Amount)**

Group	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
SC	10.47	9.61	9.31	10.27	9.58	11.00	10.50	10.79	8.81
ST	2.92	3.15	3.44	4.09	3.96	4.26	3.84	3.74	3.61
SC + ST	13.39	12.76	12.75	14.36	13.54	15.26	14.34	14.53	12.42
OBC	24.25	21.16	18.83	19.39	19.35	21.67	22.07	20.99	19.35
SC+ST+OBC	37.64	33.92	31.58	33.75	32.89	36.93	36.41	35.52	31.77
Women	44.47	40.70	41.35	43.02	40.81	49.08	47.74	41.76	37.45
Minority	11.23	9.50	9.36	9.16	8.37	12.18	10.06	8.47	7.59

Source: Compiled and calculated from PMMY Annual Reports (2016-17 to 2024-25)

A comparison between account share and credit share reveals significant disparities in credit distribution under the programme. Even though women made up almost two-thirds of all loan accounts in some years, the total amount of money they received was much less. It varies between about 37 to 49 percent of all the funds given out. This gap shows that most women are still getting smaller, entry-level Shishu loans, while the bigger Kishore and Tarun loans usually go to men. The same pattern is seen for SC, ST, and OBC borrowers. Together, these groups held nearly half of all loan accounts but got just 31 to 37 percent of the total loan amount.

These results point to a clear trend: people from marginalized groups are more likely to get small loans, especially Shishu loans, but have less access to bigger business loans. So, while more people from these groups are being reached by the program, they are not getting the same level of financial support as others. This means that although financial inclusion is growing, most of the money is still going to a smaller group, and real progress in giving everyone equal access to credit is still limited.

5. Conclusion and Policy Recommendations

This study reviews the progress of the Pradhan Mantri Mudra Yojana (PMMY) from its launch in 2015-16 up to 2024-25. The findings show that the scheme has made

it easier for people across India to get loans. Over the decade, the total amount of money given out increased at a CAGR of 16.89 percent. More than ₹32 lakh crore has been disbursed, and over 52 crore loan accounts have been opened.

There has also been a noticeable shift in the types of loans offered. In the early years, most loans were small and meant to help people meet basic needs. Over time, more funding has gone to larger loans for business growth. This is seen in the slower rise of Shishu loans and the faster growth in Kishore and Tarun loans. The average loan size almost doubled to ₹98,119 by 2024-25, showing that MSMEs are getting more substantial support.

PMMY has reached a wide range of people, including women and those from SC, ST, OBC and minority groups. While members of these groups make up most of the loan accounts, they receive a smaller share of the total funds. This suggests that, although financial inclusion has improved, equal access to larger business loans is still limited.

Based on these results, future policies should focus on helping these groups access higher-value loans. Special measures are needed to support women, SC, ST, OBC and minority borrowers in moving from small Shishu loans to larger Kishore and Tarun loans.

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