Micro units credit scheme extended for five years

KRITY AMBEY
New Delhi, 11 November

The Union Cabinet on Wednesday approved the continuation of the Credit Guarantee Fund for Micro Units (CGFMU) for five years under the Pradhan Mantri Mudra Yojana (PMMY). The Cabinet also approved a corpus of ₹5,000 crore to facilitate loans under the scheme.



"The scheme provides credit guarantee coverage to the Lending Institutions through National Credit Guarantee Trustee Company Limited (NCGTC) against default risk," the government said in a press release.

The scheme which will now remain operational until March 31, 2031, is expected to facilitate loans worth ₹12.6 trillion under PMMY over the five-year period. "As of September 2026, over 60.36 crore loans amounting to ₹43.34 trillion have been sanctioned by lending institutions since the launch of PMMY," the release said.