Significant growth in credit disbursement to MSME sector by Scheduled Commercial Banks

Various measures taken to reduce financial stress for MSMEs across the country by the Government

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As informed by Reserve Bank of India, the credit disbursement to Micro, Small and Medium Enterprises (MSME) sector by Scheduled Commercial Banks has shown significant growth in the last three years, as given below:

S No.	**Financial Year**	**Amount disbursed (in Rs. crore)**
1.	2022-23	16,96,738.26
2.	2023-24	22,04,454.98
3.	2024-25	26,43,448.95

The Government has taken various measures to improve credit penetration and reduce financial stress for MSMEs across the country, which inter-alia includes:

i. Ministry of MSME implements Credit Guarantee Scheme (CGS) for MSEs through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for loans extended to new as well as existing MSEs by Member Lending Institutions without collateral security and third-party guarantee. The ceiling for guarantee coverage is Rs. 10 crore under the scheme.

ii. Self-Reliant India (SRI) Fund has been set up to infuse Rs. 50,000 crore as equity funding in MSMEs with a provision of Rs. 10,000 crore from the Government of India and Rs. 40,000 crore through Private Equity/Venture Capital Funds.

iii. Prime Minister's Employment Generation Programme provides Margin Money subsidy up to 35%, for setting up of new micro enterprises, in the non-farm sector with project cost of Rs. 50 lakh for Manufacturing and Rs. 20 lakh for Services enterprises.

iv. PM Vishwakarma Scheme was launched on 17.09.2023 to provide end-to-end holistic support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The Scheme includes provision of collateral free loans up to Rs. 3 lakh with interest subvention of max up to 8%.

v. As informed by DFS, Pradhan Mantri Mudra Yojana (PMMY) was launched on 08.04.2015 to extend collateral free credit up to Rs.20 lakh by Member Lending Institutions. Any individual, who is otherwise eligible to take a loan and has a business plan for small business enterprise can avail loan under the scheme for income generating activities in the manufacturing, trading, service sectors including activities allied to agriculture.

vi. The Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Package to support eligible MSMEs and business enterprises in meeting their operational liabilities due to disruption caused by COVID-19 pandemic. The Scheme was operational till 31.03.2023.

vii. As informed by RBI, in terms of para 4.1 (a) of RBI Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector dated July 24, 2017, all Scheduled Commercial Banks are mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector. As per RBI circular dated 9th February 2026, this limit stands increased to Rs. 20 lakh from 1st April, 2026.

viii. Further, Ministry of MSME, through its field offices, regularly organizes outreach programmes in coordination with MSME/ Industry Departments of States/UTs concerned and other stakeholders like CGTMSE, SIDBI, Banks, MSME Associations etc., to enhance credit availability among MSMEs in the country, including Uttar Pradesh.

This information was given by the Minister of State for Micro, Small and Medium Enterprises Sushri Shobha Karandlaje in a written reply in Rajya Sabha today.

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