

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1709**  
**TO BE ANSWERED ON 15.12.2025**

**CREDIT GAP FOR MSMEs IN THE COUNTRY**

1709. SHRI RAGHAV CHADHA:

Will the Minister of Micro, Small and Medium Enterprises be pleased to state:

- (a) whether Government is aware of the increasing credit gap available to MSMEs in the country and if so, the reasons therefor;
- (b) whether any measures have been taken by Government on a policy level to cater to the issue and if so, the details thereof; and
- (c) details on the credit support provided to MSMEs by Government during the last five years, year-wise and State-wise?

**ANSWER**

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SUSHRI SHOBHA KARANDLAJE)

- (a): As per the Report of the Expert Committee on Micro, Small and Medium Enterprises, constituted by Reserve Bank of India, the overall credit gap in the MSME sector was estimated to be in the range of Rs. 20 to Rs. 25 trillion as on June 2019.
- (b): The Government has undertaken a series of measures at the policy level to enhance credit flow and strengthen the MSME ecosystem in the country. These measures are as follows:
  - 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 upto Rs 10 crore extended to new as well as existing MSEs without collateral security and third-party guarantee.
  - ii. Prime Minister's Employment Generation Programme provides Margin Money subsidy upto 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.
  - iii. 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 loans upto Rs. 3 lakh with interest subvention of max upto 8%.
  - iv. 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.

- v. 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. As reported by Department of Financial Services (DFS), under ECLGS, since inception till 31.03.2023, total 1.13 crore guarantees covering a value of Rs.2.42 lakh crore have been extended to MSMEs.
  - vi. To bring Informal Micro Enterprises (IMEs) into the formal financial framework and enable them to avail Priority Sector Lending benefits, the Udyam Assist Platform was launched on 11.01.2023. Retail and wholesale traders have also been included under the MSME category for the purpose of Priority Sector Lending with effect from 02.07.2021. The Government has further extended non-tax benefits for a period of three years in cases of upward transition of MSME classification.
- (c): The year-wise and state-wise details of the last five years in connection with credit support extended to Micro, Small and Medium Enterprises (MSME) through major schemes of Ministry of MSME, such as Credit Guarantee Scheme (CGS) for Micro and Small Enterprises and Prime Minister Employment Generation Programme (PMEGP) are provided at **Annexure-I**. The Credit disbursed to MSMEs as reported by RBI during the last five years is at **Annexure-II**.

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**Annexure I**

Annexure referred to in reply to part (c) of Rajya Sabha Unstarred Question no. 1709 for answer on 15.12.2025.

<b>CGS - GUARANTEE APPROVED- YEAR WISE- STATE WISE</b>											
		<b>FY 2020-21</b>		<b>FY 2021-22</b>		<b>FY 2022-23</b>		<b>FY 2023-24</b>		<b>FY 2024-25</b>	
<b>Sr. No.</b>	<b>States / UTs</b>	<b>No. of guarantees approved</b>	<b>Amount approved in Rs. Crore</b>	<b>No. of guarantees approved</b>	<b>Amount approved in Rs. Crore</b>	<b>No. of guarantees approved</b>	<b>Amount approved in Rs. Crore</b>	<b>No. of guarantees approved</b>	<b>Amount approved in Rs. Crore</b>	<b>No. of guarantees approved</b>	<b>Amount approved in Rs. Crore</b>
1	Andaman And Nicobar Islands	329	25	374	35	495	50	600	128	655	142
2	Andhra Pradesh	1,63,610	1,560	49,848	1,456	2,37,520	3,545	79,938	5,395	1,10,323	8,189
3	Arunachal Pradesh	464	55	628	82	935	147	981	198	1,707	352
4	Assam	12,158	673	14,918	1,262	21,195	2,156	34,556	3,750	75,747	6,436
5	Bihar	22,317	1,086	24,217	1,661	42,360	3,468	1,13,262	8,582	2,21,458	14,120
6	Chandigarh	1,274	97	1,382	159	1,706	303	2,459	604	17,401	2,711
7	Chhattisgarh	12,970	552	9,670	776	17,733	1,569	25,845	2,968	40,583	4,231
8	Delhi	12,757	1,557	15,810	2,769	21,458	4,897	35,127	8,527	55,120	12,824
9	Goa	2,235	135	2,218	174	2,826	325	4,947	611	6,510	857
10	Gujarat	40,397	2,960	34,929	4,836	43,336	8,209	1,06,073	19,668	110,039	25,335
11	Haryana	18,499	1,218	22,285	2,707	30,343	5,025	48,455	8,553	75,244	10,865
12	Himachal Pradesh	8,572	487	10,075	792	14,898	1,275	20,600	2,080	23,750	2,411
13	Jammu And Kashmir	21,371	714	38,352	1,295	51,431	1,808	53,295	2,415	47,201	2,816
14	Jharkhand	14,996	860	12,953	1,247	21,090	2,488	34,800	4,432	64,614	6,494
15	Karnataka	50,974	3,225	41,028	4,308	53,766	7,712	1,35,959	14,016	1,88,144	21,453
16	Kerala	28,810	1,005	18,937	1,104	25,761	2,121	45,515	4,590	68,755	7,693
17	Ladakh	110	12	205	23	467	44	637	84	709	98
18	Lakshadweep	72	2	11	1	25	3	7	1	23	2
19	Madhya Pradesh	60,835	1,893	64,108	2,651	50,289	5,290	75,023	9,569	1,31,490	14,213
20	Maharashtra	71,850	4,416	56,027	6,840	66,055	11,926	1,29,892	23,359	238,128	39,989

21	Manipur	830	41	1,294	101	2,268	171	1,580	111	1,952	181
22	Meghalaya	1,063	60	886	93	1,410	160	1,693	252	2,776	328
23	Mizoram	431	30	1,029	86	1,032	74	1,232	73	1,472	134
24	Nagaland	1,120	68	1,692	139	1,813	162	1,563	160	1,804	230
25	Odisha	28,288	1,134	25,788	1,801	34,081	3,045	56,392	6,109	94,128	9,684
26	Puducherry	1,588	67	1,013	74	1,087	107	2,418	233	4,471	332
27	Punjab	20,379	865	23,172	1,661	49,720	4,385	81,259	9,632	88,991	10,406
28	Rajasthan	32,883	1,441	38,622	2,553	72,391	5,366	85,848	9,180	1,20,424	13,865
29	Sikkim	340	16	479	34	765	61	1,108	102	1,748	165
30	Tamil Nadu	61,535	3,344	44,897	4,134	61,883	7,114	113,815	15,061	1,79,817	21,447
31	Telangana	22,021	1,408	24,009	1,959	29,792	3,503	41,940	6,368	97,292	11,586
32	The Dadra and Nagar Haveli and Daman And Diu	726	50	447	101	505	111	1,039	277	1,025	315
33	Tripura	1,673	58	2,020	115	3,845	207	6,523	381	8,398	570
34	Uttar Pradesh	78,655	3,727	86,616	5,628	130,769	10,742	2,47,258	21,200	4,03,938	32,790
35	Uttarakhand	9,671	441	10,048	629	16,296	1,177	26,361	2,253	26,268	2,776
36	West Bengal	29,789	1,618	37,033	2,887	54,440	6,036	106,073	11,887	2,03,170	19,465
	<b>TOTAL</b>	<b>835,592</b>	<b>36,899</b>	<b>717,020</b>	<b>56,172</b>	<b>1,165,786</b>	<b>104,781</b>	<b>1,724,073</b>	<b>202,807</b>	<b>2,715,275</b>	<b>305,507</b>

NO. OF UNITS ASSISTED UNDER PMEGP- YEAR WISE-STATE-WISE											
S. No	States/UTs	2020-21		2021-22		2022-23		2023-24		2024-25	
		No of units	MM (In Rs. lakh)	No of units	MM (In Rs. lakh)	No of units	MM (In Rs. lakh)	No of units	MM (In Rs. lakh)	No of units	MM (In Rs. lakh)
1	Andaman & Nicobar Island	155.00	186.12	162.00	238.69	121.00	202.92	135.00	134.35	61.00	96.45
2	Andhra Pradesh	1,674.00	6,857.30	2,477.00	10,088.80	3,073.00	12,929.93	5,577.00	17,199.84	3,249.00	14,374.08
3	Arunachal Pradesh	98.00	232.63	196.00	788.88	158.00	701.26	169.00	1,764.81	156.00	852.94
4	Assam	2,939.00	4,948.48	3,855.00	6,659.71	2,596.00	5,954.20	2,417.00	6,406.26	3,170.00	9,109.64
5	Bihar	2,192.00	7,208.74	2,477.00	8,169.92	4,459.00	12,123.20	6,837.00	19,175.74	5,035.00	15,045.14
6	Chandigarh	10.00	16.00	21.00	62.08	15.00	44.53	10.00	22.19	5.00	25.49
7	Chattishgarh	2,718.00	6,062.77	3,020.00	6,941.44	2,543.00	7,492.77	2,379.00	7,625.32	1,853.00	6,564.01
8	Delhi	74.00	147.61	100.00	315.23	72.00	471.11	50.00	334.32	26.00	174.60
9	Goa	58.00	156.65	87.00	298.22	66.00	291.08	68.00	322.70	39.00	178.36
10	Gujarat	2,854.00	20,637.05	4,143.00	28,704.84	3,071.00	24,182.62	3,000.00	32,124.58	1,783.00	20,363.89
11	Haryana	1,740.00	5,512.55	1,726.00	6,093.33	1,559.00	6,319.98	1,398.00	7,325.23	788.00	4,277.56
12	Himachal Pradesh	1,208.00	3,381.10	1,274.00	3,550.95	930.00	3,149.58	974.00	3,647.92	796.00	2,932.02
13	Jammu & Kashmir	8,575.00	18,306.28	21,648.00	46,713.54	12,023.00	23,993.89	15,065.00	28,249.88	9,863.00	23,940.66
14	Jharkhand	1,522.00	3,847.80	1,714.00	4,188.27	1,851.00	4,837.65	2,101.00	5,123.28	1,452.00	3,605.94
15	Karnataka	4,438.00	12,510.51	5,877.00	15,843.36	5,618.00	16,154.42	4,672.00	15,862.49	2,839.00	9,466.83
16	Kerala	2,389.00	5,225.88	2,789.00	6,859.29	3,129.00	7,329.23	3,389.00	7,881.81	2,260.00	5,895.60
17	Ladakh	281.00	1,168.41	295.00	1,182.31	91.00	376.09	122.00	584.66	135.00	639.68
18	Lakshadweep	3.00	15.36	7.00	17.50	2.00	2.49	-	-	-	-
19	Madhya Pradesh	4,854.00	13,807.82	8,082.00	20,961.46	5,957.00	18,129.70	5,292.00	18,521.49	2,626.00	9,561.55
20	Maharashtra	3,104.00	8,844.29	4,128.00	13,018.54	3,625.00	13,203.32	2,766.00	12,204.70	1,857.00	10,501.83

21	Manipur	1,556.00	5,899.03	1,139.00	3,337.25	545.00	1,462.51	348.00	810.73	608.00	1,508.48
22	Meghalaya	359.00	579.65	699.00	974.17	306.00	665.74	280.00	725.03	1,114.00	3,470.81
23	Mizoram	810.00	1,412.46	650.00	1,461.76	412.00	1,353.86	401.00	1,755.33	484.00	1,590.07
24	Nagaland	740.00	2,045.47	1,241.00	2,494.89	469.00	1,535.13	517.00	2,917.65	1,262.00	3,602.87
25	Odisha	3,171.00	8,748.07	4,301.00	11,335.95	3,880.00	10,731.75	2,975.00	9,354.84	1,867.00	5,342.69
26	Puducherry	44.00	116.81	66.00	144.30	25.00	65.56	30.00	97.44	38.00	111.19
27	Punjab	1,652.00	5,011.41	1,790.00	6,017.86	1,564.00	7,250.62	1,469.00	9,087.81	970.00	6,674.32
28	Rajasthan	2,772.00	8,806.83	2,599.00	9,025.60	2,037.00	11,418.57	1,678.00	12,406.43	916.00	7,248.31
29	Sikkim	57.00	152.28	85.00	214.27	57.00	131.46	132.00	449.19	316.00	1,144.83
30	Tamil Nadu	5,188.00	13,881.57	5,972.00	16,445.76	6,140.00	17,891.66	6,814.00	19,871.81	3,949.00	12,115.12
31	Telangana	2,025.00	6,376.33	2,906.00	9,846.14	2,540.00	10,225.11	2,503.00	10,811.78	1,850.00	8,282.18
32	Tripura	842.00	1,829.57	958.00	2,083.70	703.00	1,689.01	588.00	1,444.21	730.00	1,861.41
33	Uttar Pradesh	9,994.00	32,985.38	12,594.00	41,165.07	11,601.00	37,865.82	11,689.00	43,528.99	5,518.00	21,908.66
34	Uttarakhand	2,249.00	4,536.62	1,836.00	3,983.20	1,803.00	4,631.73	1,354.00	4,191.69	734.00	2,411.98
35	West Bengal	2,070.00	7,425.32	2,305.00	8,539.63	2,126.00	7,408.96	1,919.00	7,423.17	1,359.00	5,320.85
	<b>Total</b>	<b>74,415.00</b>	<b>218,880.15</b>	<b>103,219.00</b>	<b>297,765.91</b>	<b>85,167.00</b>	<b>272,217.46</b>	<b>89,118.00</b>	<b>309,387.67</b>	<b>59,708.00</b>	<b>220,200.03</b>

## Annexure –II

Annexure referred to in reply to part (c) of Rajya Sabha Unstarred Question no. 1709 for answer on 15.12.2025.

Credit Disbursed to MSMEs by Scheduled Commercial Banks						
						(Rs in crore)
Sr. No	States/UTs	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Andaman & Nicobar Island	506.56	174.11	265.34	676.57	768.93
2	Andhra Pradesh	37087.04	33698.22	42022.75	68584.25	79342.89
3	Arunachal Pradesh	382.01	342.44	579.98	859.78	1661.62
4	Assam	12943.83	8127.84	14483.37	19437.90	24194.86
5	Bihar	20277.00	13729.71	24481.52	33966.04	47101.21
6	Chandigarh	4788.09	6064.17	8435.58	10819.25	13877.72
7	Chhattisgarh	17990.94	16793.35	23164.50	33060.91	39488.42
8	Dadra and Nagar Haveli and Daman and Diu	1223.06	1418.58	1708.88	2042.05	2909.94
9	Delhi	85525.36	108303.87	149947.85	159823.13	210697.48
10	Goa	3194.29	2903.84	3888.63	4652.99	6303.13
11	Gujarat	84192.29	118555.58	161626.94	199803.97	242527.43
12	Haryana	38236.73	54292.92	87550.95	112849.94	136808.87
13	Himachal Pradesh	4837.72	4585.01	9894.00	10814.01	12293.74
14	Jammu & Kashmir	9771.90	9003.40	8410.96	16886.94	17771.01
15	Jharkhand	14089.45	11571.11	16820.40	22635.62	27938.28
16	Karnataka	63027.83	71516.65	91371.88	127486.82	157580.58
17	Kerala	38938.47	32107.66	43015.80	55791.10	65732.48
18	Ladakh	0.00	0.00	0.00	443.24	467.63
19	Lakshadweep	23.08	4.14	29.05	261.23	21.43
20	Madhya Pradesh	35427.46	37063.49	59122.10	70985.97	89147.98
21	Maharashtra	215944.11	278100.26	326353.90	438730.12	464031.77
22	Manipur	537.11	367.09	753.95	944.33	937.17
23	Meghalaya	679.95	396.80	715.61	1265.62	1753.20
24	Mizoram	408.81	267.31	414.27	608.35	735.95
25	Nagaland	452.17	271.78	593.62	874.77	958.55
26	Odisha	22261.75	17872.45	25182.55	35913.74	44950.44
27	Puducherry	1556.04	1638.44	2561.26	2486.16	2977.33
28	Punjab	35785.56	44914.18	72400.79	83325.90	90833.70
29	Rajasthan	51974.94	61246.41	90593.89	113955.45	173722.09
30	Sikkim	423.09	317.94	444.35	4091.27	798.12
31	Tamil Nadu	117713.43	144230.39	165244.16	217939.28	235562.00
32	Telangana	41888.09	46443.77	64006.59	90653.73	108262.53
33	Tripura	2052.16	889.69	1504.57	1805.57	2842.48
34	Uttarakhand	20380.37	7331.12	15246.70	19110.42	45431.56
35	Uttar pradesh	54514.68	67983.39	103656.85	138568.72	166253.81
36	West Bengal	62067.68	64138.34	80244.74	102453.30	126762.60
	<b>Total</b>	<b>11,01,103.04</b>	<b>12,66,665.47</b>	<b>16,96,738.26</b>	<b>22,04,608.44</b>	<b>26,43,448.95</b>

Source: Reserve Bank of India