GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 1823
ANSWERED ON TUESDAY, 4th AUGUST, 2026 / 13 SHRAVANA 1948 (SAKA)

SIDBI INITIATIVES TO ENHANCE CREDIT FLOW TO MSMEs

1823 # SHRI AMAR PAL MAURYA:
SMT. SANGEETA YADAV:
DR. SANDEEP KUMAR PATHAK:
SHRI SANJAY BHATIA:
SHRI MITHLESH KUMAR:
SHRI MADAN RATHORE:
SHRI BABUBHAI JESANGBHAI DESAI:
SHRI RYAGA KRISHNAIAH:
SMT. SEEMA DWIVEDI:

Will the Minister of FINANCE be pleased to state:

(a) whether Small Industries Development Bank of India (SIDBI) has undertaken major initiatives during the last five years to improve the flow of credit to Micro, Small and Medium Enterprises (MSMEs) across the country;

(b) if so, the details thereof;

(c) whether Government has operationalised the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0;

(d) if so, the details of additional credit flow targeted thereunder, including guarantee coverage for MSMEs and support to the aviation sector; and

(e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and (b) As informed by Small Industries Development Bank of India (SIDBI), the following major initiatives have been undertaken by them during the last five years to improve the flow of credit to Micro, Small and Medium Enterprises (MSMEs) across the country:

i. Subsequent to Union Budget Announcement FY 2024-25, SIDBI has opened 71 new branches across India from 01.04.2024 to 29.07.2026 to expand its reach to serve major MSME clusters and provide direct credit to MSMEs.
ii. As on March 31, 2026, SIDBI's direct credit outstanding portfolio stands at ₹ 51,687 crores, as against ₹ 37,781 crores as on 31 March, 2025, registering a Y-o-Y growth of 36.8%.
iii. The Bank also provides refinance assistance to augment resources of Primary Lending Institutions (PLIs) to increase their flow of credit to MSMEs. As on March 31, 2026, SIDBI's refinance outstanding portfolio stands at ₹ 4,50,571 crore, as against ₹ 3,85,327 crore as on 31 March, 2025, registering a Y-o-Y growth of 16.9%.
iv. SIDBI has launched a product on co-lending arrangement with Non-Banking Financial Companies (NBFCs) to provide affordable credit to smaller MSMEs, especially new borrowers, as part of its effort to reach underserved/ unserved MSMEs. During FY 2025-26, the Bank initiated co-lending arrangements with Regional Rural Banks (RRBs) to strengthen credit delivery and broaden financial access in underserved and untapped areas.
v. Prayaas Scheme has been launched by SIDBI to facilitate access to affordable credit to informal micro-entrepreneurs/ micro-enterprises (IMEs), especially women and poor.
vi. SIDBI has launched a GST Sahay app for 'on tap' invoice-based (cash flow based) small value credit to micro enterprises using trade data and digital frameworks.

(c) to (e) The Government has introduced Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 in May, 2026. Under the scheme, MSMEs are eligible for additional credit up to 20% of the peak fund-based working capital outstanding during the fourth quarter of FY 2025–26. The scheme provides 100% guarantee coverage to Member Lending Institutions (MLIs) towards the amount in default for such additional credit facility extended to the eligible MSME borrowers. For the scheduled passenger airlines, the guarantee coverage is 90%. However, the scheduled passenger airlines are eligible for additional credit up to 100% of the total peak credit outstanding (both fund-based and non-fund-based) during the fourth quarter of FY 2025-26. Under the scheme, additional credit flow of ₹ 2,55,000 crore is envisaged for MSMEs, non-MSMEs and scheduled passenger airlines.

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