

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4455**  
**TO BE ANSWERED ON: 19-03-2026**

**CREDIT DEMAND IN MSME SECTOR**

4455. SMT. SATABDI ROY:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether it is a fact that the access to formal credit in the Micro, Small and Medium Enterprises (MSMEs) sector currently stands at only fourteen per cent and if so, the details thereof, and
- (b) the details of the total credit demand in the MSME sector that has remained unmet during the last eleven years, year-wise?

**ANSWER**

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

(a) and (b): As informed by Reserve Bank of India, the advances outstanding to Micro, Small and Medium Enterprises (MSME) sector by Scheduled Commercial Bank have registered a growth of 166.17% in the last eleven years, as given below:

<b>S No.</b>	<b>Financial Year</b>	<b>Advances Outstanding(in Rs. crore)</b>
1.	As on March 2015	12,02,498
2.	As on March 2016	12,19,962
3.	As on March 2017	13,02,900
4.	As on March 2018	14,14,668
5.	As on March 2019	16,88,867
6.	As on March 2020	16,97,836
7.	As on March 2021	18,45,188
8.	As on March 2022	20,44,788
9.	As on March 2023	23,92,319
10.	As on March 2024	28,21,477
11.	As on March 2025	32,00,690

Source: Priority Sector Returns submitted by SCBs (excluding Regional Rural Banks; including Local area banks)

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

- i. Credit Guarantee Scheme (CGS) for MSEs implemented 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. 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 9<sup>th</sup> February 2026, this limit stands increased to Rs. 20 lakh from 1<sup>st</sup> April, 2026.

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