

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 4852**  
ANSWERED ON MONDAY, 23<sup>rd</sup> MARCH, 2026/ 02 CHAITRA, 1948 (SAKA)

**Loans to MSMEs**

4852. SHRI KESINENI SIVANATH:

Will the Minister of FINANCE be pleased to state:

- (a) the details of all Government schemes under which loans are provided to Micro, Small and Medium Enterprises (MSMEs);
- (b) the number of loans sanctioned and disbursed to MSMEs, classified sector-wise (manufacturing, services, trade etc.) and PSB-wise, year-wise for the past five years, State-wise and district-wise for Andhra Pradesh;
- (c) the total number of loan applications received by Public Sector Banks (PSBs) for MSME credit during the last five years and the number of applications rejected, classified PSB-wise and year-wise, including reasons for rejections, if available, classified State-wise and district-wise for Andhra Pradesh;
- (d) the details regarding the number of such disbursed loans repaid, classified PSB-wise, year-wise, State-wise and district-wise for Andhra Pradesh; and
- (e) the details regarding steps taken by the Government to improve MSME access to credit, reduce loan rejections, strengthen PSB lending and enhance scheme outreach especially for small and micro units?

**ANSWER**

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

- (a) The details of major schemes of Government of India, facilitating loans to MSMEs, are as follows:
  - i. Pradhan Mantri Mudra Yojana (PMMY): It was launched for providing loans up to ₹10 lakh for financing income-generating small business enterprises in manufacturing, trading and service sectors, including activities allied to agriculture. To strengthen support for aspiring entrepreneurs, an increase in the loan limit to ₹20 lakh was announced in 2024. PMMY loans are covered under the Credit Guarantee Fund for Micro Units (CGFMU), which is managed by National Credit Guarantee Trustee Company Ltd. (NCGTC).
  - ii. PM Vishwakarma Scheme: This scheme aims to provide end-to-end holistic support to artisans and craftspeople engaged in 18 identified trades through access to skill training, collateral free credit, modern tools, market linkage support and incentive for digital transactions. It provides credit support in two tranches: loan upto ₹ 1 lakh for 18 months in Tranche 1 and loan upto ₹ 2 lakh for 30 months in Tranche 2, at a fixed rate of interest of 5% chargeable from beneficiaries.
  - iii. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was launched to strengthen credit delivery system and to facilitate flow of credit to the Micro & Small Enterprise (MSE) sector without collateral security and/ or third-party guarantee by Member Lending Institutions (MLIs). The

upper ceiling of guarantee coverage under CGTMSE Scheme was increased to ₹ 10 crore with effect from 01.04.2025.

- iv. The government has introduced Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME) to help Micro, Small, and Medium Enterprises (MSMEs) access loans to grow their businesses. The Scheme provides credit guarantee cover to lenders (Scheduled Commercial Banks, All India Financial Institutions, NBFCs) for loans up to ₹ 100 crore to MSMEs for their projects involving purchase of equipment/ machinery. Further, the scheme has been modified to improve access to credit, with enhanced credit guarantee cover of 75% for well-run exporter MSMEs on loans up to ₹ 20 crores.
- v. Prime Minister's Employment Generation Program (PMEGP): It was launched with an aim to generate self-employment opportunities through establishment of micro-enterprises in the non-farm sector by assisting traditional artisans and unemployed youth in rural as well as urban areas. It provides a "Margin Money" subsidy ranging from 15% to 35% of the project cost, with maximum limits of ₹50 lakh for manufacturing and ₹20 lakh for service units.

(b) As reported by the Reserve Bank of India (RBI), the year-wise details number of loans sanctioned and disbursed to Micro, Small and Medium Enterprises (MSMEs) by the Scheduled Commercial Banks (SCBs) are placed as Annexure-I. District-wise data is not centrally maintained by RBI.

(c) & (d) As informed by RBI, the data sought is not centrally maintained. However, as reported by State Level Bankers' Committee of Andhra Pradesh (SLBC-AP), the details of number of applications received and rejected by Public Sector Banks (PSBs) for MSME loans in Andhra Pradesh are placed as Annexure-II.

(e) The details regarding steps taken by the Government to improve MSME access to credit are as follows:

- i. RBI has fixed target of 7.5 percent of Adjusted Net Bank Credit (ANBC), or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, for Scheduled Commercial Banks (SCBs) for lending to Micro Enterprises, under priority sector lending norms.
- ii. SCBs have been mandated by RBI not to accept collateral security in the case of loans up to ₹10 lakh extended to units in the MSE sector. Banks have also been advised to strongly encourage their branch level functionaries to avail of the Credit Guarantee cover, including making performance in this regard a criterion in the evaluation of their field staff. The above limit has been enhanced to ₹20 lakh which shall be applicable to all new loans to MSEs sanctioned or renewed on or after April 01, 2026.
- iii. Computation of working capital requirements of MSE units to be done by banks on the basis of simplified method of minimum 20% of the projected annual turnover of the unit for borrowal limits up to ₹5 crore.

- iv. For loans up to ₹25 lakh to the MSE borrowers, banks are advised that the timelines for credit decisions shall not be more than 14 working days.
- v. RBI has facilitated the Account Aggregator (AA) framework under which information related to financial assets of a customer is collected from the holders of such information (Financial Information Providers) (FIP) and is presented to the customers or specified users (Financial Information Users) digitally through a secured process. Goods and Services Tax Network (GSTN) has been included in the AA ecosystem as an FIP for ease of MSME lending.
- vi. Credit Assessment Model (CAM) was launched to leverage the digitally fetched and verifiable data and devise automated journeys for MSME Loan appraisal using objective decisioning for all loan applications and model-based limit assessment for both Existing to Bank (ETB) as well as New to Bank (NTB) MSME borrowers. The benefits to MSMEs by use of such models include submission of application from anywhere through online mode, reduced paperwork and branch visits, instant in-principle sanctions through digital mode, seamless processing of credit proposals, end to end straight through process (STP), reduced turnaround time (TAT), Credit decision based on objective data/ Transactional behaviour and credit history and integration of credit guarantee schemes like CGTMSE.

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**Annexure-I as referred to in part (b) of the reply to the Lok Sabha Unstarred Question No. 4852**

<b>State-wise data on number of loans sanctioned to MSMEs by SCBs</b>						
<b>Sr. No</b>	<b>State Name</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>
1	Andaman & Nicobar	0.06	0.02	0.02	0.05	0.05
2	Andhra Pradesh	10.68	3.56	3.21	5.37	6.37
3	Arunachal Pradesh	0.08	0.06	0.06	0.06	0.07
4	Assam	9.03	1.66	1.45	1.38	1.55
5	Bihar	15.13	3.97	3.01	5.39	6.22
6	Chandigarh	0.20	0.14	0.30	0.86	0.74
7	Chhattisgarh	4.21	1.61	1.50	1.61	2.14
8	Dadra and Nagar Haveli and Daman and Diu	0.09	0.03	0.03	0.04	0.05
9	Delhi	2.37	1.48	4.21	4.13	3.37
10	Goa	0.52	0.24	0.24	0.29	0.30
11	Gujarat	6.28	4.00	4.03	6.17	6.66
12	Haryana	4.01	1.90	2.17	3.57	3.58
13	Himachal Pradesh	1.11	0.99	0.48	1.06	0.68
14	Jammu & Kashmir and Ladakh	1.72	1.81	0.53	0.57	2.15
15	Jharkhand	8.47	2.21	1.88	3.28	2.48
16	Karnataka	13.80	5.63	6.09	8.79	9.39
17	Kerala	8.14	3.99	2.80	3.58	4.55
18	Lakshadweep	0.02	0.00	0.00	0.21	0.02
19	Madhya Pradesh	13.54	6.13	5.57	7.52	7.15
20	Maharashtra	35.26	11.70	13.70	20.00	15.76
21	Manipur	0.37	0.13	0.15	0.22	0.11
22	Meghalaya	0.28	0.07	0.08	0.11	0.15
23	Mizoram	0.13	0.05	0.05	0.05	0.07
24	Nagaland	0.23	0.06	0.07	0.15	0.14
25	Odisha	14.23	3.69	2.93	3.77	3.66
26	Puducherry	0.53	0.36	0.29	0.48	0.26
27	Punjab	4.88	2.27	2.14	3.02	2.89
28	Rajasthan	8.70	3.33	3.01	5.29	5.96
29	Sikkim	0.18	0.06	0.06	2.88	0.06
30	Tamil Nadu	17.12	12.26	18.44	14.59	11.51
31	Telangana	7.27	2.15	2.08	5.05	4.94
32	Tripura	1.79	0.29	0.27	0.26	0.60
33	Uttarakhand	7.11	1.36	0.96	1.57	2.70
34	Uttar Pradesh	15.79	6.50	7.26	11.97	11.97
35	West Bengal	38.99	6.90	6.00	9.41	11.69
	<b>Total</b>	<b>252.31</b>	<b>90.61</b>	<b>95.06</b>	<b>132.74</b>	<b>129.98</b>

*Source: RBI*

**Annexure-II as referred to in part (c) & (d) of the reply to the Lok Sabha Unstarred Question No. 4852**

<b>Details of number of applications received and rejected by PSBs for MSME loans in Andhra Pradesh</b>										
<b>Name of the Bank</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>Received</b>	<b>Rejected</b>	<b>Received</b>	<b>Rejected</b>	<b>Received</b>	<b>Rejected</b>	<b>Received</b>	<b>Rejected</b>	<b>Received</b>	<b>Rejected</b>
<b>Bank of Baroda</b>	11,039	282	4,359	208	4,456	212	4,291	204	5,216	213
<b>Bank of India</b>	780	14	37,921	22	47,457	468	26,543	264	9,284	95
<b>Bank of Maharashtra</b>	4,157	664	841	129	1,090	158	2,217	290	727	77
<b>Canara Bank</b>	1,09,483	8,933	79,928	1,255	70,142	8,237	57,643	6,635	39,299	6,575
<b>Central Bank of India</b>	11,724	22	2,208	49	2,316	49	340	61	1,741	73
<b>Indian Bank</b>	61,015	1,273	44,332	1,236	40,537	1,077	31,532	1,300	43,456	1,729
<b>Indian Overseas Bank</b>	37,211	4,594	31,787	3,915	36,171	4,471	30,779	3,804	16,353	1,921
<b>Punjab National Bank</b>	4,633	24	1,883	46	2,682	124	2,627	116	2,217	139
<b>Punjab &amp; Sind Bank</b>	579	-	260	-	146	-	116	-	101	-
<b>UCO Bank</b>	18,319	345	11,236	189	9,479	159	9,837	160	5,356	92
<b>Union Bank of India</b>	1,92,152	9,160	1,65,977	7,161	2,52,448	14,289	2,33,421	12,168	1,02,207	5,777
<b>State Bank of India</b>	4,195	1,558	4,314	1,755	8,527	2,900	11,813	1,222	10,468	976

*Source: SLBC-AP*

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