

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3060**  
**TO BE ANSWERED ON: 18.12.2025**

**LOAN DISBURSAL TO MSMEs**

3060. SHRI RAJA RAM SINGH:

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

- (a) whether it is true that loan disbursement to Micro, Small and Medium Enterprises (MSMEs) continues to fall by 11% and credit demand remains unmet despite major announcements in Budget 2025, such as enhanced credit guarantees, the ME-Card initiative and the proposed Fund of Funds;
- (b) the reasons for abruptly halting schemes critical to small enterprises, such as the Credit Linked Capital Subsidy Scheme;
- (c) whether the Government acknowledges that MSMEs still face difficulties like, inaccessible credit, bureaucratic delays and lack of collateral-free loans, especially for micro-enterprises in informal clusters, if so, the remedial action taken thereof; and
- (d) whether the mechanisms are in place to monitor whether Budget schemes are actually reaching MSMEs, particularly in Tier-II/III cities and rural belts and if so, the details thereof and if not, the reasons therefor?

**ANSWER**

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

(a) to (c): No. As per Reserve Bank of India (RBI), the credit disbursed to the MSME sector by Scheduled Commercial Banks (excluding RRBs) for the past three financial years has registered a substantive growth, growing at a CAGR of 15.93 % in the past three years, as indicated below:

<b>Financial Years</b>	<b>Amount disbursed (in Rs. crore)</b>
2022-23	1696738.26
2023-24	2204454.98
2024-25	2643448.95

Credit Linked Capital Subsidy (CLCS) Scheme launched on 1 October 2000 aimed at facilitating technology up-gradation in Micro and Small Enterprises (MSEs) by providing an upfront capital subsidy of 15 percent to the MSEs on institutional finance availed by them. It was in operation till 31.03.2020 only. Since inception, the scheme benefitted around 87,989 units by providing them with total capital subsidy of Rs 5685.87 crore since its inception. Government is providing financial support for procurement of equipment/machinery through schemes such as Mutual Credit Guarantee Scheme (MCGS-MSME) for credit facility upto Rs. 100 crore, Special Credit Linked Capital Subsidy (SCLCSS) under National Schedule Caste and Schedule Tribe Hub (NSSH) etc.

The Union Budget 2025-26 outlines a strategic approach to bolster the MSME sector in India, emphasizing increased credit access, entrepreneurial support, and sector-specific initiatives. Government of India has enhanced investment and turnover limits for classification of all MSMEs by 2.5 and 2 times respectively, coupled with enhanced credit guarantee limits from Rs. 5 crore to Rs. 10 crore.

Government of India has taken a number of initiatives to provide financial assistance to Micro, Small and Medium Enterprises (MSMEs) in the Country. Some of them are:

- (i) Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for loans upto Rs 10 crore extended to MSEs without collateral security or third-party guarantees.
  - (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 (PMEGP) 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 loans up to Rs. 3 lakh with interest subvention of max up to 8%.
  - (v) Emergency Credit Line Guarantee Scheme (ECLGS) launched for businesses, including MSMEs with a provision to provide a cover for Credit Guarantee to the tune of Rs 5 lakh crore. The scheme was operational till 31.03.2023.
- (d): Ministry of MSME monitors performance of its schemes in the Country, including Tier-II/III cities and rural belts. Some of these mechanisms include, Udyam Registration Portal, MSME Samadhan Portal, Sambandh Portal, CHAMPIONS Portal, Geo-tagging of PMEGP. Recently, MSME Dashboard integrated through API with all the major Schemes of the Ministry has been launched in this direction.

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