

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1909
TO BE ANSWERED ON 11.12.2025

STRENGTHENING OF CREDIT AND CAPITAL AVAILABILITY FOR MSMEs

1909. SHRI HASMUKHBHAI SOMABHAI PATEL:
SHRI MITESH PATEL BAKABHAI:
SHRI VISHNU DAYAL RAM:
SHRI NARAYAN TATU RANE:
SMT. D K ARUNA:
SHRI RODMAL NAGAR:
DR. SANJAY JAISWAL:
SHRI CHANDRA PRAKASH JOSHI:
SHRI ASHISH DUBEY:

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

- (a) the details of the recently implemented reforms and financial schemes to strengthen access to credit and equity, capital availability for Micro, Small and Medium Enterprises (MSMEs) including the Aatmanirbhar Bharat Package and the Credit Guarantee Scheme;
- (b) the quantum of additional credit enabled through the said mechanisms along with the number of enterprises benefitted thereunder;
- (c) the steps taken to expand guarantee coverage and promote collateral-free financing for micro and small enterprises; and
- (d) whether the Government has developed monitoring systems to assess the effectiveness of these financial interventions in enhancing the productivity and competitiveness of MSMEs and if so, the details thereof ?

ANSWER

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

(a) to (c): Government has taken various measures to strengthen access to credit and equity for Micro, Small and Medium Enterprises (MSMEs) including the following: -

- i. 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.

- ii. 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 (revised to loans upto Rs 10 crore w.e.f 01.04.2025) extended by Member Lending Institutions to new as well as existing MSEs without collateral security and third-party guarantee. To expand the scope of the Scheme and to ensure greater access to credit for MSEs, CGS was revamped effective from 01.04.2023, following a corpus infusion of Rs. 9,000 crore into CGTMSE. Further, the Standard Rate of the Annual Guarantee Fee (AGF) was reduced by 50%, to as low as 0.37% per annum. Since inception in 2000, to till 30.11.2025, 1.31 crore credit guarantees were approved covering an amount Rs. 11.85 lakh crore.
 - iii. 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. Since inception in 2021 till 30.11.2025, 682 MSMEs have been assisted by way of investing more than Rs. 15,442 Crore.
 - iv. 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.
 - v. 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%.
- (d): Ministry of MSME conducts regular review meetings to track the implementation and assess the performance of its schemes. It also holds stakeholder consultations on regular basis for feedback and necessary policy interventions as and when required. Recently, MSME dashboard integrated through API with all the major schemes of the Ministry has been launched in this direction.
