

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 753**  
TO BE ANSWERED ON 29.07.2024

**AVAILABILITY OF FINANCE TO MSME UNITS**

753. SHRI RAJEEV SHUKLA:

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

- (a) whether Government is aware of the challenges the MSME sector is facing in getting finance from banks, leading to closure of several MSME units;
- (b) if so, whether Government has taken any corrective measures in this regard; and
- (c) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI JITAN RAM MANJHI)

(a) to (c): Government implements various schemes to support MSME sector, and has taken a number of measures to address the challenges faced by MSME sector in getting access to finance from banks. Some of these measures are as given below:

- i. Collateral free loan up to a limit of Rs. 500 lakh (w.e.f. 01.04.2023) to micro and small enterprises with guarantee coverage up to 85 % of loan through Credit Guarantee Fund Trust for micro and small enterprises under Credit Guarantee Scheme for Micro and Small Enterprises. Since inception till 30.06.2024, a total of 91,76,248 guarantees amounting to Rs 6,78,326.81 crore have been issued.
- ii. Under Prime Minister's Employment Generation Programme, credit linked subsidy for setting up new micro-enterprise in non-farm sector is provided. Margin Money subsidy ranging from 15% to 35% of project cost, for projects up to Rs. 50 lakh in manufacturing sector and Rs. 20 lakh in the service sector, is provided. For beneficiaries belonging to Special categories, including women, Margin Money subsidy is 35% in rural areas and 25% in urban areas.
- iii. Launch of Udyam Assist Platform to bring the Informal Micro Enterprises (IMEs) under the formal ambit for availing of benefits under Priority Sector Lending. As on date, there are 1.99 crore registered IMEs.

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- iv. Launch of 'PM Vishwakarma' Scheme on 17.09.2023 to provide a number of benefits to the artisans and craftspeople engaged in 18 traditional trades, including credit support with 8 % Interest Subvention Cap and guarantee coverage.

Besides the above, Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs was announced as a part of Atmanirbhar Bharat package. A total of 1.19 crore number of guarantees were issued to businesses, including MSMEs. Of this, 1.13 crore guarantees amounting to Rs. 2.42 lakh crore were issued to MSMEs. State Bank of India's research report dated 23.01.2023 on ECLGS, indicates that almost 14.6 lakh MSME accounts were saved due to ECLGS scheme (including restructured) from becoming NPA, of which about 98.3% of the accounts were in micro and small category.

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