

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1854
TO BE ANSWERED ON 17.03.2025

BUDGETARY ALLOCATION FOR EXTENSION OF CREDIT GUARANTEE

1854. SHRI MAYANKBHAI JAYDEVBHAI NAYAK:
 SHRI NARHARI AMIN:

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

- (a) the manner in which Government would ensure smooth disbursal and access to the credit guarantee for small businesses along with increasing its cover for Micro, Small and Medium Enterprises (MSMEs) from ₹ 5 crore to ₹ 10 crore;
- (b) the monitoring mechanism in place to ensure that banks and financial institutions implement the extended credit guarantee scheme effectively; and
- (c) the details as to how the additional credit worth ₹ 1.5 lakh crore would be allocated to various MSME sectors?

ANSWER

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

- (a) and (c): The enhancement of credit guarantee ceiling under Credit Guarantee Scheme (CGS) from ₹ 5 crore to ₹ 10 crore has been announced in the Union Budget 2025-26. Credit Guarantee Fund Trust for Micro & Small Enterprises provides credit guarantee coverage for loans extended to Micro and Small enterprises under CGS without any collateral security or third-party guarantee, by its Member Lending Institutions (MLIs), across the country.
- (b): The empowered committee on Micro, Small and Medium Enterprises chaired by Reserve Bank of India monitors the loans sanctioned/ disbursed by MLIs under the Scheme. This is also monitored by the State Level Bankers Committee.
