

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 905**  
**TO BE ANSWERED ON 28.07.2025**

**EVALUATION OF CREDIT GUARANTEE SCHEME**

905. SMT. SUNETRA AJIT PAWAR:

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

- (a) the effectiveness of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in enhancing credit flow to Micro, Small and Medium Enterprises (MSMEs), particularly to those having limited collateral;
- (b) whether there is any problem with the guarantee cover or claim settlement process;
- (c) if so, the details thereof and steps taken in this regard;
- (d) whether the Pradhan Mantri Mudra Yojana (PMMY) provides credit to non-corporate, non-agricultural small/micro enterprises;
- (e) whether the different categories (Shishu, Kishor, Tarun) are meeting the diverse needs of enterprises; and
- (f) if so, the details thereof?

**ANSWER**

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

(a) to (c): The Ministry of Micro, Small and Medium Enterprises (MSME) implements the Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantees to its Member Lending Institutions (MLIs) for the credit facilities extended by them to the MSEs without any collateral security and third-party guarantee.

Since inception in 2000 till 2022, 59.06 lakh guarantees have been extended to MSEs amounting to ₹3.21 lakh crore. The Ministry of MSME has undertaken a number of steps to improve the effectiveness of the Scheme, due to which 56.04 lakh guarantees have been extended to MSEs amounting to ₹6.12 lakh crore within a short span of three years from 2022-25, significantly enhancing credit flow to MSEs.

(d) to (f): As informed by Department of Financial Services, Pradhan Mantri Mudra Yojana (PMMY) was launched on 08.04.2015. Under the Scheme, collateral free institutional credit is provided to non-corporate, non-farm small and micro entrepreneurs by MLIs. Any eligible individual with a business plan can avail a loan up to ₹20 lakh under the Scheme for income-generating activities in manufacturing, trading, service sectors, and activities allied to agriculture.

The category-wise detail of loan disbursed under the Scheme is as under:

<b>Pradhan Mantri Mudra Yojana- (as on June, 2025)*</b>				
<b>S No.</b>	<b>Category</b>	<b>No. of Loan A/cs (in crore)</b>	<b>Sanctioned Amount (in ₹ lakh crore)</b>	<b>Disbursed Amount (in ₹ lakh crore)</b>
1.	Shishu	41.40	11.99	11.86
2.	Kishor	11.26	14.44	14.02
3.	Tarun	1.19	8.65	8.39
4.	Tarun Plus	0.003	0.05	0.05
	<b>Total</b>	<b>53.85</b>	<b>35.13</b>	<b>34.32</b>
*Provisional		Source- As per data updated by MLIs on Mudra Portal		

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