

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 118
TO BE ANSWERED ON: 01.12.2025

FINANCIAL SUPPORT AND CREDIT FACILITATION

118. SHRI MAYANKKUMAR NAYAK:
SHRI NARAYANA KORAGAPPA:
DR. MEDHA VISHRAM KULKARNI:
SHRI AMAR PAL MAURYA:
SHRI MOKARIYA RAMBHAI:
DR. BHAGWAT KARAD:

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

- (a) the details of recent reforms implemented and financial schemes introduced to strengthen access to credit and equity for Micro, Small and Medium Enterprises (MSMEs), including Atmanirbhar Bharat-Fund, Self-Reliant India Fund and Credit Guarantee Scheme;
- (b) the volume of additional credit facilitated through these mechanisms and the number of enterprises benefitted;
- (c) the steps taken to enhance guarantee coverage and promote collateral-free financing for micro and small enterprises;
- (d) whether Government has developed monitoring systems to assess the effectiveness of these financial interventions in enhancing MSME productivity and competitiveness; and
- (e) if so, the details thereof?

ANSWER

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

(a) to (c): To strengthen access to credit and equity for Micro, Small and Medium Enterprises (MSMEs), a number of measures, including reforms and financial scheme have been launched by the Government of India. Some of the measures are:

- i. The Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible MSMEs and business enterprises in meeting their operational liabilities in view of 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 amounting to Rs. 2.42 lakh crore have been extended to MSMEs. As per a research report dated 23.01.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the Micro and Small Enterprises categories, were saved. In absolute terms, MSME loan accounts worth Rs. 2.2 lakh crore improved since inception of ECLGS for entire banking industry. Around 12% of the outstanding MSME credit was saved from slipping into non-performing asset (NPA) classification due to ECLGS.

- ii. Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs): Ministry of MSME implements CGS for MSEs through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for 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. As part of the revamp, the ceiling of guarantee coverage was enhanced from Rs. 2 crore to Rs.5 crore and the Standard Rate of the Annual Guarantee Fee (AGF) was reduced by 50%, to as low as 0.37% per annum.

Further, the Ministry of MSME, Government of India, has recently enhanced the ceiling of guarantee coverage from Rs.5 crore to Rs.10 crore and has rationalised the AGF for guarantees above Rs.1 crore, effective from 01.04.2025. Since inception in 2000, to till 31.10.2025, 1.28 crore credit guarantees were approved involving an amount Rs. 11.52 lakh crore.

- iii. Self Reliant India (SRI) Fund has been set up to infuse Rs. 50,000 crore as equity funding in MSMEs. Under this Fund, there is 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 31.10.2025, 671 MSMEs have been assisted by way of investing more than Rs. 14,927 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 and Rs. 20 lakh, for Manufacturing and Services enterprises, respectively. Details of the last three financial years i.e FY 2022-23 to FY 2024-25 are given below:

FY	No. of Units Assisted	Margin Money (MM) Subsidy disbursed (Rs. In crore)
2022-23	85,167	2,722.17
2023-24	89,118	3,093.87
2024-25	59,708	2,202.00

- 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) and (e): The Ministry of MSME through regular Review Meetings and stakeholder consultations, track the implementation and performance of MSME schemes and reforms have been done based on the feedback. Recently, MSME Dashboard integrated through API with all the major Schemes of the Ministry has been launched in this direction.
