

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. *103
TO BE ANSWERED ON: 09.02.2026

FINANCIAL ASSISTANCE AND LOAN FACILITIES

*103. SHRI HARSH MAHAJAN:

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

- (a) schemes currently being implemented in the country to provide financial assistance and loans to Micro, Small and Medium Enterprises (MSMEs);
- (b) the number of MSMEs in the country and in the State of Himachal Pradesh that have been provided loans/financial assistance under these schemes during the last three years and the amount disbursed in this regard, year-wise the details thereof; and
- (c) whether Government plans to simplify the loan process for MSMEs in future, offer concessions in interest rates and increase credit guarantee coverage, if so, the details thereof?

ANSWER

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

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY OF PART (a) TO (c) OF THE RAJYA SABHA STARRED QUESTION NO. *103 ON “FINANCIAL ASSISTANCE AND LOAN FACILITIES” FOR REPLY ON 09.02.2026.

(a): The Government of India has taken a number of initiatives and measures to provide support to Micro, Small and Medium Enterprises (MSMEs) for improving access to finance, timely payments and faster technology adoption. Some of them are:

- i. Priority Sector Lending (PSL): In terms of Reserve Bank of India’s Master Direction on ‘Priority Sector Lending (PSL)- Targets and Classification’ dated March 24, 2025, all bank loans to MSMEs conforming to the conditions prescribed therein qualify for classification under priority sector lending.
- ii. Ministry of MSME implements Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for loans extended to MSEs. The ceiling for guarantee coverage under the scheme is Rs 10 crore.
- iii. Prime Minister's Employment Generation Programme provides Margin Money subsidy up to 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.
- iv. 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 up to Rs. 3 lakh with interest subvention of max up to 8%.
- v. 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. The Budget 2026-27 has also announced a support of Rs 2,000 crore to top up the SRI Fund set up in 2021 to continue support to micro enterprises and maintain their access to risk capital.
- vi. The National Scheduled Caste and Scheduled Tribe Hub (NSSH) scheme seeks to promote entrepreneurship amongst the SCs/STs and to facilitate fulfilment of the mandated 4% procurement from SC/ST MSEs under the Public Procurement Policy for MSEs. Under NSSH, the Special Credit Linked Capital Subsidy Scheme (SCLCSS) provides financial assistance in the form of a subsidy of up to ₹25 lakh on institutional finance for the procurement of plant and machinery.

(b): The details of credit outstanding to MSME sector by Scheduled Commercial Banks and the benefits provided under the major schemes of the Ministry of MSME across the country and in the State of Himachal Pradesh over the last three years are as at Annexure-I.

(c): Credit flow is regulated by Reserve Bank of India (RBI), which takes measures to further extend credit to MSME sector. Some recent initiatives are as follows:

- i. Banks not to accept collateral security in the case of loans up to Rs. 10 lakhs extended to units in the MSE sector.
- ii. Banks to compute working capital requirements of MSE units on the basis of simplified method of minimum 20% of the projected annual turnover for borrowal limits up to ₹5 crore.
- iii. For availability of easy and affordable financing to MSEs, RBI has issued guidelines for wavier of pre-payment charges on loans.
- iv. Ministry of MSME, Government of India, has recently rationalised the Annual Guarantee Fees for guarantees above Rs.1 crore, effective from 01.04.2025 under CGS.

Under Union Budget 2026–27, comprehensive three-pronged strategy to enable MSMEs to scale up as “Champion Enterprises”, through equity support, liquidity support and professional assistance, has been announced, as annexed at Annexure-II.

Annexure referred in part (b) of answer to Rajya Sabha Starred Question no. *103 on “Financial Assistance and Loan Facilities” due for reply on 09/02/2026.

Credit outstanding to MSME sector by Scheduled Commercial Banks		
	All India	Himachal Pradesh
F.Y.	Credit Outstanding (in Rs. crore)	Credit Outstanding (in Rs. crore)
As on 31.03.2023	22,60,135	13683.43
As on 31.03.2024	27,25,657	16147.28
As on 31.03.2025	31,08,918	18912.60

Source: RBI

Credit Guarantee Scheme (CGS) – Guarantees approved				
	All India		Himachal Pradesh	
F.Y.	No. of guarantees approved	Amount approved (in Rs. crore)	No. of guarantees approved	Amount approved (in Rs. crore)
2022-23	11,65,786	1,04,781	14,898	1,275
2023-24	17,24,073	2,02,807	20,600	2,080
2024-25	27,15,275	3,05,507	23,750	2,411

PMEGP				
	All India		Himachal Pradesh	
F.Y.	No. of Units Assisted	Margin Money (MM) Subsidy disbursed (in Rs. crore)	No. of Units Assisted	Margin Money (MM) Subsidy disbursed (in Rs. crore)
2022-23	85,167	2,722	930	31.50
2023-24	89,118	3,094	974	36.48
2024-25	59,708	2,202	796	29.32

PM Vishwakarma				
	All India		Himachal Pradesh	
F.Y.	No. of loans disbursed	Amount disbursed (in Rs. crore)	No. of loans disbursed	Amount disbursed (in Rs. crore)
2024-25	3,31,869	2,737	1,305	12

During the FY 2022-23 to FY 2024-25 under SRI Fund, 502 MSMEs have been assisted with a total investment of Rs. 9,643 crore across the country including 1 MSME in the State of Himachal Pradesh with an investment of Rs. 25 lakh.

Annexure referred in part (c) of answer to Rajya Sabha Starred Question no. *103 on “Financial Assistance and Loan Facilities” due for reply on 09/02/2026.

Union Budget 2026–27 announcement for MSME sector:

(I) Equity Support

- i. A dedicated ₹10,000 crore **SME Growth Fund**.
- ii. Top up the Self-Reliant India Fund with ₹2,000 crore.

(II) Liquidity Support through TReDS

- i. Mandate Trade Receivables Discounting System (TReDS) as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporate.
- ii. Introduce a credit guarantee support mechanism through CGTMSE for invoice.
- iii. Linking Government e-Marketplace (GeM) with TReDS for sharing information with financiers about government purchases from MSMEs, encouraging cheaper and quicker financing.
- iv. TReDS receivables as asset-backed securities to help a secondary market and enhancing liquidity and settlement of transactions.

(III) Professional Support

- i. Government to facilitate Professional Institutions such as ICAI ,ICSI, ICMAI to develop ‘Corporate Mitras’ especially in Tier-II and Tier-III towns to help MSMEs meet compliance requirements at affordable costs.