

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 279
TO BE ANSWERED ON 02.02.2026

ENHANCEMENTS UNDER CREDIT GUARANTEE SCHEME

279. SHRI RAJINDER GUPTA:

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

- (a) whether Government has taken measures to enhance the scope and ease the disbursement of credit under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE);
- (b) if so, the details thereof;
- (c) the progress made in this respect and benefits realised as a result;
- (d) whether Government has assessed the challenges experienced by the Micro, Small and Medium Enterprises (MSMEs), to avail the benefits of the said scheme;
- (e) if so, the details thereof and if not, the reasons therefor; and
- (f) the proposed measures to be taken in order to enhance credit availability to the MSMEs in the country?

ANSWER

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

(a) to (f): To enhance the scope and ease the disbursement of credit under of the Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs), CGS was revamped from 01.04.2023, following a corpus infusion of Rs. 9,000 crore into Credit Guarantee Fund Trust for Micro and Small Enterprises (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 rationalised the AGF for guarantees above Rs.1 crore, effective from 01.04.2025.

Ministry of MSME, through its field offices, regularly organizes outreach programmes in coordination with MSME/ Industry Departments of States/UTs concerned and other stakeholders like CGTMSE, SIDBI, Banks, MSME Associations etc., to enhance credit availability among MSEs in the country. CGTMSE has organized/attended a total of 295 awareness programs for MSE entrepreneurs and Member Lending Institutions during last three financial years.

The details of guarantees approved under CGS are mentioned below:

CGTMSE – Guarantees approved		
Financial Year	No. of guarantees approved	Amount approved (in Rs. Crore)
2022-23	11,65,786	1,04,781
2023-24	17,24,073	2,02,807
2024-25	27,15,275	3,05,507
