GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP
**RAJYA SABHA**
**UNSTARRED QUESTION NO. 2041**
ANSWERED ON 05.08.2026

# REVAMPED MODEL SKILL LOAN SCHEME

2041 SHRI SANA SATHISH BABU:

Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

(a) the number of applications received from candidates in Andhra Pradesh under the Revamped Model Skill Loan scheme since its launch in July, 2024, along with the number sanctioned and rejected;

(b) the number and amount of skill loans sanctioned and disbursed to beneficiaries in Andhra Pradesh, year-wise;

(c) the number of Scheduled Commercial Banks, Small Finance Banks, Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs) empanelled under the scheme in Andhra Pradesh; and

(d) the steps taken by Government to create awareness and improve the uptake of the scheme among eligible candidates in the State?

## ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP

(SHRI JAYANT CHAUDHARY)

**(a) & (b):** Ministry of Skill Development and Entrepreneurship (MSDE) notified Credit Guarantee Fund Scheme for Skill Development (CGFSSD), also known as the Skill Loan Scheme, on 10th November 2015 to provide guarantee cover to skill loan to the extent of 75% of the amount in default to the member lending institutions. CGFSSD was revised and notified on 9th July 2024 to enhance the coverage of the scheme and to provide access to skill trainees/candidates to a wide range of high-end courses without any financial constraints. The major changes in modified CGFSSD inter-alia include (i) the increase in maximum loan limit from Rs. 1.5 lakh to Rs. 7.5 lakh, (ii) inclusion of non-NSQF aligned courses delivered through Skill India Digital Hub (SIDH), and (iii) inclusion of Non-Banking Finance Companies (NBFCS)/Micro Finance Institutions (MFI) and Small Finance Banks as the member lending institutions.

CGFSSD was further revised and notified on 9th July 2026 for capping the interest rates at 20% per annum for NBFCs/ NBFC-MFIs and Small Finance Banks and allowing the member lending institutes to stipulate the margin money requirements, if required.

Since modification on 9th July 2024, 45 skill loans amounting to Rs 78.12 lakh are covered up to 30th June 2026 under the guarantee cover of CGFSSD in Andhra Pradesh.

Year-wise details of skill loans covered under the guarantee of CGFSSD in Andhra Pradesh since 2017-18 is at **Annexure.**

**(c)** Since modification of the scheme in July 2024, fifteen additional Member Lending Institutions (MLIs) have registered with National Credit Guarantee Trust Company Ltd (NCGTC) taking the total to 32. This includes 12 public sector banks, 7 private banks and 13 Non-Banking Finance Companies. The registration is not State specific.

**(d)** MSDE is leveraging the social media and collaborating with the key stakeholders like training partners, member lending institutions (MLIs), etc. to create awareness about CGFSSD among the candidates/trainees. Based on the awareness outreach and the feedback received from the key stakeholders, the CGFSSD has been revised suitably to make it more attractive. Consequent to the modification of the scheme, the progress in terms of skill loans and the member lending institutes registration with National Credit Guarantee Trust Company Ltd (NCGTC) has improved.

| **Period** | **Number of Loans Guaranteed** | **Amount of Loans Guaranteed (Rs. in Cr.)** | **MLI Registered** |
|---|---|---|---|
| Pre-Modification (From inception up to 8$^{th}$ July 2024) | 10425 | 120.15 | 17 |
| Post Modification (9$^{th}$ July 2024 to June 30, 2026) | 5832 | 88.7 | 15 |
| Total | 16257 | 208.85 | 32 |

**Annexure**

**ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF RAJYA SABHA UNSTARRED QUESTION NO. 2041 ANSWERED ON 05.08.2026 REGARDING 'REVAMPED MODEL SKILL LOAN SCHEME'**

| Year | Number of Guarantee Issued | Amount of Guarantee Issued (in Rs. Cr) |
|---|---|---|
| 2017-18 | 58 | 0.63 |
| 2018-19 | 22 | 0.28 |
| 2019-20 | 19 | 0.21 |
| 2020-21 | 08 | 0.11 |
| 2021-22 | 07 | 0.07 |
| 2022-23 | 54 | 0.44 |
| 2023-24 | 11 | 0.11 |
| 2024-25 | 08 | 0.07 |
| 2025-26 | 25 | 0.44 |
| 2026-27 | 13 | 0.28 |
| Overall | 225 | 2.65 |

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