

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2035
TO BE ANSWERED ON 14.12.2023

CREDIT GUARANTEE SCHEME FOR SUBORDINATE DEBT

2035. DR. JAYANTA KUMAR ROY:
SHRI BHOLA SINGH:
DR. SUKANTA MAJUMDAR:
SHRI VINOD KUMAR SONKAR:
SHRI RAJA AMARESHWARA NAIK:

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

- (a) whether the Government has launched Rs. 20,000 crore Credit Guarantee Scheme for Subordinate Debt (CGSSD) to support stressed MSMEs/non-performing asset (NPA) accounts;
- (b) if so, whether the CGSSD has failed to pick up pace and if so, the reaction of the Government thereto;
- (c) whether the Government has brought out modifications in the scheme guidelines; and
- (d) if so, the responses received so far in terms of support to stressed MSMEs/NPA accounts in the country?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (d): The Credit Guarantee Scheme for Subordinate Debt (CGSSD) was launched on 24th June 2020 with an objective to facilitate providing personal loan to the promoters of stressed MSMEs. To enhance the effectiveness, two major modifications were brought in the scheme guidelines, wherein the credit was extended to the Promoter(s) of the MSMEs equal to the 50% of their stake (equity plus debt) or Rs. 75 lakh whichever is lower, earlier it was 15%. In addition to widen the scope of the scheme, it was made applicable for those MSMEs whose accounts have been standard as on 01.01.2016, earlier it was 31.03.2018. This scheme was operational till March 31, 2023. Under the CGSSD, guarantees to 803 beneficiaries for an amount of Rs. 96.80 crore were extended.
