

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**STARRED QUESTION NO. 343**  
**TO BE ANSWERED ON 19.12.2024**

**CREDIT GUARANTEE FUND TRUST FOR MICRO  
AND SMALL ENTERPRISES**

\*343. SHRI ALOK SHARMA:  
SHRI BALABHADRA MAJHI:

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

- (a) the specific measures taken by the Government to ensure that the additional amount of Rupees five lakh crore in credit guarantees has effectively been received by micro and small enterprises across the country, particularly those in underserved regions like Maharashtra and Jalgaon district;
- (b) the steps taken by the Government to identify and address the unique challenges faced by micro and small enterprises in underserved areas across the country, including Jalgaon district, in accessing the credit guarantees through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme;
- (c) the steps taken by the Government to address potential barriers such as lack of financial literacy, documentation or awareness among micro and small enterprises across the country, particularly in Maharashtra to help them benefit from these credit guarantees;
- (d) the manner in which Jalgaon district specifically leverage the CGTMSE Scheme to support local micro and small enterprises; and
- (e) the role of local stakeholders in ensuring the effective distribution and utilization of these credit guarantees in the country?

**ANSWER**

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

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

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. \*343 FOR ANSWER ON 19.12.2024.**

(a): It was announced in Union Budget 2022-23 that Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) will be revamped with the required infusion of funds to facilitate additional credit of Rs. 2 lakh crore for MSEs. Accordingly, Rs. 9,000 crore was infused as an addition to the existing corpus of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to ensure facilitation of additional Rs. 2 lakh crore of guarantee coverage in subsequent four financial years. This target has since been achieved across the country, including Maharashtra and Jalgaon district. The details of credit guarantees approved under CGTMSE are as follows:

Amount of Credit Guarantees approved by CGTMSE, (Rs. in crore)			
	2022-23	2023-24	2024-25 (till 30.11.2024)
<b>All India</b>	1,04,781	2,02,807	1,50,425
<b>Maharashtra</b>	11,926	23,359	18,958
<b>Jalgaon</b>	143	309	261

(b) and (c): The Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) was revamped with effect from 01.04.2023 to better address the challenges faced by MSE borrowers and Member Lending Institutions (MLIs) for effective implementation of the scheme in the country, including Maharashtra, as detailed below:

- i. A revised guarantee fee structure was introduced with 50% reduction in the Annual Guarantee Fees from peak rate of 2% per annum to as low as 0.37% per annum.
- ii. The guarantee ceiling was increased from Rs. 2 crore to Rs. 5 crore.
- iii. The limit for waiver of legal action was increased from Rs. 5 lakh to Rs. 10 lakh.

In addition, the following steps were taken to enhance credit flow:

- i. Additional concession of 10% in guarantee fee is provided to SC/ST owned MSEs, MSEs owned by Person with Disability, ZED certified MSEs, MSEs situated in Aspirational Districts and MSEs located in North East Region (including Sikkim), UT of Jammu & Kashmir and UT of Ladakh.
- ii. The extent of guarantee coverage is 85% for SC/ST owned MSEs, MSEs owned by Person with Disability, ZED certified MSEs, MSEs situated in Aspirational Districts, MSEs located in North East Region (including Sikkim), UT of Jammu & Kashmir and UT of Ladakh, vis-a-vis 75% for others.
- iii. The extent of guarantee coverage for women owned MSEs has been increased from 85% to 90% vide notification dated 10.12.2024.
- iv. To promote credit flow to MSEs in Identified Credit Deficient Districts (ICDD) as per RBI, CGTMSE offers 10% discount on the Annual Guarantee Fees and extend an additional 5% guarantee coverage.
- v. CGTMSE introduced 'Special Provision for the Informal Micro Enterprises (IME)' under Credit Guarantee Scheme on 14.02.2024. The guarantee covers credit facilities up to Rs. 20 lakh with 85% coverage, with no primary security required, and a guarantee fee of 0.37% for up to Rs. 10 lakh and 0.45% for Rs. 10 lakh to Rs. 20 lakh.

(d): To support local MSEs in the district of Jalgaon, CGTMSE has extended guarantee coverage to 16,231 MSEs amounting to Rs 1,104 crore, since inception in 2000-2001 till 30.11.2024.

(e): To ensure effective distribution and utilisation of credit guarantees, CGTMSE, in association with stakeholders such as Small Industries Development Bank of India, MLIs, MSME Associations, field offices of Ministry of MSME, etc. and in coordination with MSME/Industry Departments of States/UTs concerned, including Maharashtra, organises awareness programmes across the country.

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