

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4063**  
**TO BE ANSWERED ON 19.12.2024**

**FUNDS UNDER CGTMSE**

4063. SHRI P P CHAUDHARY:

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

- (a) the specific mechanisms established to disburse the additional five lakh crore credit guarantees through CGTMSE along with distribution targets thereof, State and sector-wise;
- (b) the number of micro and small enterprises that have benefited from these credit guarantees during the current financial year, particularly from underserved regions;
- (c) whether any steps have been taken to simplify the application and approval process under CGTMSE and if so, the details thereof and reduction in processing time achieved; and
- (d) whether any monitoring system has been established to track the effective utilization of these credit guarantees and if so, the details thereof and impact on enterprise growth?

**ANSWER**

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

- (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 corpus of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in FY 2022-23 and FY 2023-24 to ensure facilitation of an additional Rs. 2 lakh crore of guarantee coverage in subsequent 4 financial years. This target has been achieved in two and half years (FY 2022-23 – FY 2024-25) across the country.
- (b): During the current financial year, a total of 11,29,657 guarantees have been extended to MSEs under the Credit Guarantee Scheme (CGS), amounting to Rs. 1,50,425 crore.
- (c): Guarantee application approval process under CGS is automated. The borrower approaches Member Lending Institutions (MLIs) of CGTMSE for a loan; the MLI approves the loan as per its extant guidelines and applies for guarantee in CGTMSE portal. Thereafter, the guarantee is approved by system without any manual intervention.
- (d): The Impact Analysis of CGS carried out by Acuite Rating and Research & Athena Infonomics in 2021 shows that CGS has facilitated social inclusion and empowerment through increased participation of women entrepreneurs over the years. The reach and penetration of CGS has grown two-fold with regard to the number of districts covered which have increased from 370 to 714 between 2013 and 2021. In terms of sales performance, the beneficiary units have shown growth of 7.3% from base.

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