

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 633
TO BE ANSWERED ON 28.11.2024

CREDIT GUARANTEE SCHEME

633. SHRI DILIP SAIKIA:

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

- (a) the details and salient features of the Credit Guarantee Scheme and the target set thereunder;
- (b) the category of the industries covered and the manner in which the said industries are likely to be benefitted under the said scheme;
- (c) whether the Government has set up any fund for the implementation of the said scheme; and
- (d) the maximum amount of Guarantee Cover proposed to be provided under the said scheme?

ANSWER

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

(a): The Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI) jointly instituted Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE) in the year 2000, to provide credit guarantee for the loans extended by Member Lending Institutions (MLIs) to Micro and Small Enterprises (MSEs) without collateral security and third-party guarantee. CGTMSE implements the Credit Guarantee Scheme (CGS) for MSEs.

The salient features of CGS are as follows:

- Credit facilities (Term Loan / Working Capital limit) extended by MLIs to MSEs.
- The extent of guarantee coverage ranges from 75% to 85%, depending upon the social category, geographical category of the MSE borrower and special provision under CGS.

Budget 2022-23 announced a target of additional credit of Rs 2 lakh crore for MSEs under CGS for MSEs. Accordingly, the scheme was revamped with required infusion of funds. The additional guarantee of Rs 2 lakh crore has been achieved by CGTMSE during FY 2023-24.

(b): All category of industries as mentioned in MSMED Act 2006 in Micro and Small sector (excluding Agriculture and Self-Help Groups).

(c): GoI and SIDBI has contributed Rs. 16,500 crore towards corpus of CGTMSE. The share of GoI and SIDBI is Rs. 15,500 crore and Rs. 1,000 crore respectively.

(d): Guarantee ceiling per borrower is Rs. 5 crore.
