

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2346
TO BE ANSWERED ON 13.03.2025

INCREASE IN CREDIT GUARANTEE COVER

2346. SHRI YOGENDER CHANDOLIA:
SHRI ANOOP PRADHAN VALMIKI:
SHRI TEJASVI SURYA:
SHRI ANURAG SINGH THAKUR:
DR. BHOLA SINGH:
DR. HEMANT VISHNU SAVARA:
SMT. ROOPKUMARI CHOUDHARY:
SHRI RADHESHYAM RATHIYA:
SHRI DAMODAR AGRAWAL:
SMT. SHOBHANABEN MAHENDRASINH BARAIYA:

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

- (a) the manner in which the Government is likely to ensure seamless disbursement and easy access to loans for small businesses after increasing the credit guarantee cover for MSMEs from Rs. 5 crore to Rs. 10 crore, State/UT-wise particularly for entrepreneurs from Hathras;
- (b) whether the Government has taken any specific measures for effective implementation of the extended Credit Guarantee Scheme by banks and financial institutions, if so, the details thereof;
- (c) the mechanisms available to monitor the effective implementation of the extended Credit Guarantee Scheme by banks and financial institutions;
- (d) the mechanism devised by the Government to allocate additional amount of Rs. 1.5 lac crore in credit to various MSME sectors/segments;
- (e) the time limit fixed for implementation of the said scheme;
- (f) whether there is any special provision for small businesses in Hathras in this regard;
- (g) the details of the impact of said scheme in Hathras district along with the number of beneficiaries thereunder; and
- (h) the share of the increased credit guarantee and budget allocation proposed to be directed towards MSMEs in Chhattisgarh and the key focus areas for support?

ANSWER

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

(a) and (b): The enhancement of credit guarantee ceiling under Credit Guarantee Scheme (CGS) from Rs. 5 crore to Rs. 10 crore has been announced in the Budget 2025-26. Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) provides credit guarantee coverage for loans extended to Micro and Small enterprises (MSEs) under CGS without any collateral security or third-party guarantee, by its Member Lending Institutions (MLIs), across the country. CGTMSE, through Circular and awareness programmes, notifies the banks, financial institutions and MSEs.

(c): The empowered committee on MSME chaired by Reserve Bank of India monitors the loans sanctioned/ disbursed by MLIs under the Scheme. This is also an agenda item in the State Level Bankers Committee.

(d) to (h): The Central Government supplements the efforts of the State/UT Government in the country, including the State of Chhattisgarh and Hathras District, in supporting Micro, Small and Medium Enterprises (MSMEs) through its various schemes, programmes and policy initiatives, which inter alia include CGS. As announced in the Budget 2025-26, additional credit of Rs. 1.5 lakh crore is to be covered in the next 5 years w.e.f. 01.04.2025.

The details of guarantees approved in the Hathras District in last 3 years and current year are as below:

CGTMSE-Guarantee Approved - Hathras		
FY	No. of guarantees approved	Amount approved (in Rs. crore)
FY 2021-22	292	24
FY 2022-23	432	47
FY 2023-24	1,112	130
FY 2024-25 (till 28.02.2025)	1,533	144
