

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 4033
ANSWERED ON MONDAY, 18 AUGUST, 2025/ 27 SRAVANA, 1947 (SAKA)

CREDIT GUARANTEE SCHEME FOR MSME IN UTTARAKHAND

†4033. SHRI TRIVENDRA SINGH RAWAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that MSME units in Uttarakhand are not getting adequate credit facilities;
- (b) whether Uttarakhand is being given priority by the Government under CGTMSE (Credit Guarantee Scheme);
- (c) whether any special financial incentive scheme has been introduced to boost investments in the State; and
- (d) whether any monitoring mechanism has been put in place by the Government for GST refund and disbursement of loans easily?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SH. PANKAJ CHAUDHARY)

(a) Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy, fostering entrepreneurship and generating employment opportunities at comparatively lower capital cost, next only to agriculture. Supporting the MSME sector has been a policy priority of Government of India. Various measures have been taken for increasing access to credit for MSMEs in an affordable manner, in all the states including Uttarakhand, which are provided in *Annexure*.

As informed by RBI, the MSME credit outstanding of Scheduled Commercial Banks (SCBs) in the state of Uttarakhand as on 31.03.2025 was ₹53,164 crore. It is further informed by RBI that Empowered Committees on MSMEs are constituted at the Regional Offices of RBI, under the Chairmanship of the Regional Directors with the representatives of State Level Bankers' Committee (SLBC) Convenor, senior bank officials, representative from Small Industries Development Bank of India (SIDBI), State Government and MSME Associations in the state to

periodically review the progress in MSME financing as also revival and rehabilitation of stressed MSMEs.

As informed by State Level Bankers' Committee (SLBC), Uttarakhand, the disbursement of MSME loan for FY2024-25 was at ₹25,385 crore against the target of ₹22,404 crore. For FY2025-26, the disbursement target is ₹29,306 crore.

(b) The Ministry of MSMEs (MoMSME) and SIDBI jointly instituted Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in the year 2000, to provide credit guarantees for loans upto ₹10 crore (w.e.f. 01.04.2025), extended by Member Lending Institutions to Micro and Small Enterprises (MSEs). As informed by MoMSME, about 1.51 lakh guarantees amounting to ₹11,168 crore have been approved under the CGTMSE scheme as on 31.07.2025 in the state of Uttarakhand, on a cumulative basis. The MSE borrowers in special categories including Women Entrepreneurs, SC/ST Entrepreneurs and People with Disability, ZED certified MSEs and MSEs situated in Aspirational District / credit deficient districts, in all the states including Uttarakhand have been supported through additional coverage and reduced guarantee fee, under the scheme.

(c) The Government of India implements various Central Sector and demand driven schemes / programmes for MSMEs in the country including Uttarakhand. These schemes/ programmes include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Pradhan Mantri Mudra Yojana (PMMY), PM Vishwakarma (PMV), Micro and Small Enterprises - Cluster Development Programme (MSE-CDP) and Raising and Accelerating MSME Performance (RAMP), MSME Champions Scheme, etc.

As informed by MoMSME, the Government of India has announced Fund of Funds viz. Self Reliant India (SRI) Fund to infuse ₹50,000 crore as equity funding in those MSMEs which have the potential and viability to grow and become large units. The total size of fund of ₹50,000 crore has a provision of ₹10,000 crore from Government of India and ₹40,000 crore through Private Equity / Venture Capital funds. This initiative is aimed at providing growth capital to the deserving and eligible units of MSME sector. As on 31.07.2025, 645 potential MSMEs have been assisted throughout the country of which 5 MSMEs have been assisted in the State of Uttarakhand.

(d) As informed by the Central Board of Indirect Taxes and Customs (CBIC), the government has established a comprehensive, multi-tiered monitoring mechanism for GST refunds, which includes:

- i. GSTN–ICEGATE integration has been enabled for IGST refunds, enabling SMS alerts and real-time status updates.
- ii. Processing of refunds has been streamlined by introducing a "single disbursement window" and fixed refund processing timelines which include provisional refunds and interest for delays beyond 60 days.
- iii. National Coordination Meeting of the GST Administrations, under chairpersonship of the Revenue Secretary, is periodically held and attended by the officers of Centre, States, Union Territories, GST Council Secretariat and GSTN to sort out issues related to co-ordination and any specific grievance.
- iv. A State level co-ordination committee comprising of Zonal Chief Commissioner and the State Commissioner has been created for resolution of grievances etc.
- v. Refund process in GST has been made fully electronic with the process of filing, processing and sanction of refund done electronically.
- vi. In case of refund with payment of IGST route, refund disbursed from Customs Authority and is fully automated whereas by route of refund of accumulated ITC, refund is application based and is disbursed in a time bound manner (within 60 days).
- vii. To ensure that refunds are processed and disbursed timely, field formations have been directed to process and pass the final sanction order in FORM RFD-06 and the payment order in FORM RFD-05 within 45 days so that the amount is credited to taxpayer's account within 60 days as stipulated in the Law.
- viii. Whenever, there is a delay in sanctioning refunds Section 56 of the Central Goods and Services Tax, 2017 read with notification No. 13/2017-Central Tax dated 28.06.2017, provides for an interest at the rate of 6% on delayed payment of refund beyond a period of 60 days from the date of filing of the refund application.

Various measures taken for increasing access to credit for MSMEs in an affordable manner:

- i. Specific targets for lending to MSME sector have been prescribed in Priority Sector guidelines of RBI.
- ii. Scheduled Commercial Banks (SCBs) have been mandated not to accept collateral for loans upto ₹10 lakh extended to MSME sector.
- iii. Pradhan Mantri Mudra Yojana (PMMY) scheme launched in April, 2015 to provide collateral free access to institutional finance to unfunded Micro/Small business units, for income generating activities in the manufacturing, trading and service sectors and also for activities allied to agriculture, including homestays. Recently, the eligible loan amount under the scheme has been doubled to ₹20 lakh.
- iv. Computation of working capital requirements of MSE units to be done by banks on the basis of simplified method of minimum 20% of the projected annual turnover of the unit for borrowal limits up to ₹5 crore.
- v. Streamlining flow of credit to Micro and Small Enterprises for facilitating timely and adequate credit flow during their 'Life Cycle'.
- vi. Banks have been advised that timelines for loans up to ₹25 lakh in units in MSE sector shall not be more than 14 working days.
- vii. Trade Receivables Discounting System (TReDS) has been operationalized to address the problem of delayed payments to MSMEs.
- viii. For better transmission of monetary policy, RBI has advised banks to link all new floating rate loans to external benchmark for MSEs from 01.10.2019 and Medium enterprises from 01.04.2020.
- ix. RBI has facilitated the Account Aggregator (AA) framework under which information related to financial assets of a customer is collected from the holders of such information (Financial Information Providers) and is presented to the customers or specified users (Financial Information Users) to enable faster processing of loan applications.
- x. RBI has developed Unified Lending Interface (ULI) previously known as Public tech platform for frictionless credit (PTPFC) which is set to transform the lending landscape in India by making credit more accessible to underserved populations such as small businesses by reducing documentation requirements and simplifying the loan application process.

- xi. As announced in the Union Budget 2024-25, Union Finance Minister had launched the New Credit Assessment Model for MSMEs on 6th March, 2025. The model leverages the digitally fetched and verifiable data and devises automated journeys for MSME Loan appraisal using objective decisioning for all loan applications and model-based limit assessment for both Existing to Bank (ETB) as well as New to Bank (NTB) MSME borrowers. The benefits to MSMEs by use of this model include submission of application from anywhere through online mode, reduced paperwork and branch visit, instant in-principle sanction through digital mode, seamless processing of credit proposals, reduced TAT, credit decision based on objective data/ transactional behaviour among others.
- xii. Various credit guarantee schemes to support credit flow to MSME sector such as Credit Guarantee Fund for Micro Units (CGFMU), Credit Guarantee Fund for Stand-Up India (CGFSI), Credit Guarantee Scheme for Startups (CGSS) etc. have been launched.
- xiii. Mutual Credit Guarantee Scheme for MSMEs (MCGS- MSME) has been launched for providing 60% guarantee coverage for credit facility upto ₹100 crore sanctioned to eligible MSMEs under the scheme for purchase of equipment / machinery.
- xiv. With regard to the matter of “easy disbursement of loans,” banks have various schemes for financing based on the GST returns filed by the customers which enables faster sanction/disbursement of loans.