

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 4654
TO BE ANSWERED ON: 21.08.2025

CREDIT-LINKED SCHEMES FOR SMALL ENTERPRISES

4654. DR. MALLU RAVI:

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

- (a) whether the Government has launched any updated credit-linked schemes for small enterprises after April 2025 ; and
- (b) the impact of the extension of the Emergency Credit Line Guarantee Scheme (ECLGS) on the survival and growth of Micro, Small and Medium Enterprises (MSMEs)?

ANSWER

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

(a): The Ministry of Micro, Small and Medium Enterprises implements Credit Guarantee Scheme (CGS) through Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), in which guarantee coverage for loans extended by Member Lending Institutions to Micro and Small Enterprises (MSEs), without requiring collateral security or third-party guarantees is provided. Effective from 01.04.2025, the ceiling for guarantee coverage has been extended from Rs. 5 crore to Rs. 10 crore.

To provide credit linked support, schemes like Prime Minister's Employment Generation Programme (PMEGP) and Special Credit Linked Capital Subsidy Scheme (SCLCSS) under National SC-ST Hub (NSSH) are implemented by the Ministry of MSME.

(b): Emergency Credit Line Guarantee Scheme (ECLGS) provided for collateral free loans to existing eligible borrowers with 100% guarantee in respect of the eligible amount as per the Scheme guidelines. As per the State Bank of India's research report dated 23.01.2023 on ECLGS, almost 14.6 lakh MSME accounts, of which about 93.8% of the accounts were in MSE categories, were saved.
