

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 184
TO BE ANSWERED ON: 29.01.2026

FINANCIAL SCHEMES FOR MSMEs

184. SHRI RAHUL SINGH LODHI:

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

- (a) the details of the recently implemented reforms and financial schemes to strengthen credit and capital availability for Micro, Small and Medium Enterprises (MSMEs) including the Atmanirbhar Bharat Fund and the Credit Guarantee Scheme;
- (b) the amount of additional credit provided under these scheme, through these mechanisms and the number of enterprises benefitted;
- (c) the step taken to encourage collateral-free financing for MSMEs and to expand guarantee coverage; and
- (d) whether the government has developed monitoring mechanism to assess the effectiveness of these financial interventions in enhancing the productivity and competitiveness of MSMEs and if so, the details thereof?

ANSWER

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

- (a) to (c): The Government of India has taken a number of initiatives to strengthen access to credit and equity for Micro, Small and Medium Enterprises (MSMEs). Some of the measures are:
- i. The Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible MSMEs and business enterprises in meeting their operational liabilities in view of disruption caused by COVID-19 pandemic. The Scheme was operational till 31.03.2023. As reported by Department of Financial Services (DFS), under ECLGS, since inception till 31.03.2023, total 1.13 crore guarantees amounting to Rs. 2.42 lakh crore have been extended to MSMEs. As per aresearch report dated 23.01.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the Micro and Small Enterprises categories, were saved.
 - ii. Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs): To expand the scope of the Scheme and to ensure greater access to credit for MSEs, CGS was revamped effective from 01.04.2023, following a corpus infusion of Rs. 9,000 crore into CGTMSE. As part of the revamp, the ceiling of guarantee coverage was enhanced from Rs. 2 crore to Rs.5 crore and the Standard Rate of the Annual Guarantee Fee (AGF) was reduced by 50%, to as low as 0.37% per annum. Further, the Ministry of MSME, Government of India, has enhanced the ceiling of guarantee coverage from Rs.5 crore to Rs.10 crore and rationalized the AGF for guarantees above Rs.1 crore, with effective from 01.04.2025. Since inception in 2000, till 31.12.2025, a total of 1.35crore credit guarantees amounting to Rs.12.39 lakh crore have been approved to MSEs.

- iii. Self Reliant India (SRI) Fund has been setup to infuse Rs.50,000 crore as equity funding in MSMEs. Under this Fund, there is a provision of Rs.10,000 crore from the Government of India and Rs.40,000 crore through Private Equity/Venture Capital Funds. Since its inception in October 2021, as on 31.12.2025, 69 Daughter Funds have been empanelled with NVCFL (Mother Fund) and these daughter funds have assisted 693 MSMEs by way of investment Rs. 16,260 crore in these MSMEs.
 - iv. Prime Minister's Employment Generation Programme provides Margin Money subsidy upto 35%, for setting up of new micro enterprises, in the non-farm sector with project cost of Rs. 50 lakh and Rs. 20 lakh, for Manufacturing and Services enterprises. Since inception i.e. FY 2008-09 to FY 2025-26 (up to 23.01.2026), around 10.73 lakh micro enterprises have been assisted under PMEGP with Margin Money (MM) Subsidy of Rs. 29,305.18 Cr generating employment opportunities for around 87.4 lakh persons.
 - v. PM Vishwakarma Scheme was launched on 17.09.2023 to provide end-to-end holistic support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The Scheme includes provision of collateral free loans upto Rs. 3 lakh by CGTMSE with interest subvention of max upto 8%. Till 27.01.2026 a total of 30 lakh Vishwakarmas has been successfully registered under the scheme and an aggregate amount of Rs.4,670.73 crore loan has been sanctioned to 5.42 lakh beneficiaries.
- (d): The Ministry of MSME through regular Review Meetings and stakeholders' consultations, track the implementation and performance of MSME schemes. Recently, MSME Dashboard integrated through API with all the major Schemes of the Ministry has been launched in this direction.
