

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2194
TO BE ANSWERED ON 12.02.2026

IMPACT OF GLOBAL TRADE DISRUPTIONS ON MSMEs

2194. DR. T SUMATHY Alias THAMIZHACHI THANGAPANDIAN:

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

- (a) whether the Government has assessed the impact of global trade disruptions and tariff uncertainties on Micro, Small and Medium Enterprises (MSMEs) clusters in Tamil Nadu, particularly in Chennai and Hosur, where nearly thirty lakh jobs are at risk and if so, the details thereof;
- (b) whether any interest subvention, export incentive or special relief package has been approved for MSMEs affected by external factors and recent cyclones and if so, the details thereof;
- (c) whether it is a fact that the Rupees 95 billion MSME financing plan for the year 2026 has witnessed delays in disbursement to eligible units in Tamil Nadu and if so, the details thereof;
- (d) the details of MSME assistance released during the year 2025–26, State-wise; and
- (e) the steps proposed to stabilise employment and exports in MSME-intensive States like Tamil Nadu?

ANSWER

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

(a),(b),(d)&(e): India's merchandise exports during April to October 2025 have demonstrated resilient performance despite challenging global conditions including recent U.S. tariff hike. Overall, merchandise exports for the fiscal year so far remain positive compared to the previous year, reflecting underlying resilience despite global economic volatility, geopolitical disruptions and softened demand in some markets. India's export sector continues to demonstrate strength and diversification amid challenging external conditions.

Government continues to work to mitigate the impact of the US tariff measures on Indian exports through a comprehensive multi-pronged strategy encompassing intensive engagement with the US Government for a mutually beneficial India-US Bilateral Trade Agreement, immediate relief through Trade relief measures of RBI, Credit Guarantee Scheme for Exporters, enhancement of domestic demand through next generation GST reforms, Export Promotion measures such as the new Export Promotion Mission which provide support and assistance to our exporters, pursuing FTAs with new countries and better utilization of existing FTA. It is expected that these measures will also enhance diversification and resilience in India's trade relationships. The Government remains engaged with all stakeholders—including exporters, Export Promotion Councils (EPCs), MSMEs, industry associations, and state governments—to assess the evolving impact of the U.S. tariff measures.

Export Promotion Mission (EPM) has been approved on 12.11.2025 as a comprehensive framework to strengthen the overall export ecosystem. Under EPM, support shall be provided through NIRYAT PROTSAHAN, which focuses on trade finance facilitation including support for interest subvention, factoring, E-Commerce Credit Card, Collateral for export Credit etc. for MSME exporters, and NIRYAT DISHA, which shall provide non-financial support including export-quality and compliance assistance, market-access interventions, logistics facilitation, and export ecosystem-building measures.

The Central Government supplements the efforts of the State/UT Governments through various schemes, programmes and policy initiatives for credit, skill development, infrastructure and cluster development etc. This inter alia includes initiatives for providing financial assistance, credit support and technology adoption through Schemes like Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme (CGS) for Micro & Small Enterprises (MSEs), Self Reliant India (SRI) Fund, Micro & Small Enterprises Cluster Development Programme (MSE-CDP), Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME) etc.

- (i) Prime Minister's Employment Generation Programme (PMEGP) assists General Category beneficiaries with Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban areas.
- (ii) Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee of upto Rs. 10 crore.
- (iii) Self Reliant India (SRI) Fund to infuse Rs. 50,000 crore as equity funding in those MSMEs which have the potential and viability to grow and become large units. Under this scheme total size of fund of Rs. 50,000 crore has a provision of Rs.10,000 crore from Government of India and Rs.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. The Budget 2026-27 has also announced a support of Rs 2000 crore to top up the Self-Reliant India Fund set up in 2021 to continue support to micro enterprises and maintain their access to risk capital.
- (iv) Micro and Small Enterprises Cluster Development Programme (MSE-CDP) with the objective to enhance the productivity and competitiveness of Micro and Small Enterprises (MSEs) by extending financial assistance for establishment of Common Facility Centers (CFCs) and creation and up-gradation of industrial estates. Establishment of Flatted Factory Complexes is also supported under the scheme. For CFCs, Government of India Grant is up to 80%, upper limit of Project cost is Rs. 30 crore whereas, for ID projects Government of India Grant is up to 70%, upper limit of Project is Rs. 15 crore.
- (v). Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME), a government-backed initiative designed to help Micro, Small, and Medium Enterprises (MSMEs) access loans to grow their businesses. This scheme offers a credit guarantee, making it easier for MSMEs to obtain loans, especially for purchasing essential equipment and machinery. The Scheme provides credit guarantee cover to lenders (Scheduled Commercial Banks, All India Financial Institutions, NBFCs) for their term loans up to Rs.100 crore to MSMEs for their projects involving purchase of equipment/machinery.

(i) Credit Guarantee Scheme for Micro and Small Enterprises

Ministry of MSME implements Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for loans extended to MSEs. The ceiling for guarantee coverage under the scheme is Rs 10 crore.

State/UT wise details for credit guarantees extended to MSEs under CGS are as under:

CGS - Guarantees approved- FY 2025-26 till 31.01.2026			
Sr. No.	States / UTs	No. of guarantees approved	Amount approved (in Rs. crore)
1	Andaman and Nicobar Islands	784	159
2	Andhra Pradesh	1,08,511	11,030
3	Arunachal Pradesh	1,555	476
4	Assam	37,868	6,389
5	Bihar	1,33,308	12,965
6	Chandigarh	6,190	1,555
7	Chhattisgarh	29,736	4,984
8	Delhi	47,529	14,258
9	Goa	3,762	749
10	Gujarat	95,972	30,626
11	Haryana	58,598	12,219
12	Himachal Pradesh	22,625	2,649
13	Jammu And Kashmir	38,091	2,900
14	Jharkhand	48,786	6,537
15	Karnataka	1,19,785	22,436
16	Kerala	59,937	8,882
17	Ladakh	494	101
18	Lakshadweep	47	2
19	Madhya Pradesh	85,966	14,735
20	Maharashtra	1,98,036	46,554
21	Manipur	2,132	251
22	Meghalaya	2,347	416
23	Mizoram	1,694	194
24	Nagaland	1,535	229
25	Odisha	66,545	10,755
26	Puducherry	2,487	380
27	Punjab	64,722	10,551
28	Rajasthan	98,300	16,183
29	Sikkim	1,115	176
30	Tamil Nadu	1,22,789	23,606
31	Telangana	72,898	14,333
32	The Dadra and Nagar Haveli and Daman and Diu	1,102	367
33	Tripura	9,240	764
34	Uttar Pradesh	4,45,336	37,211
35	Uttarakhand	23,895	3,410
36	West Bengal	1,35,778	20,289
Total		21,49,495	3,39,321

(ii) **Prime Minister's Employment Generation Programme (PMEGP)** assists General Category beneficiaries with Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban areas.

State-wise detail of number of micro enterprises assisted, margin money subsidy released and estimated employment generated under PMEGP in the current financial year i.e., 2025-26 (as on 10.02.2026), is given below:

S. No.	State	Micro Enterprises Assisted	MM Subsidy released (in crore)	Estimated employment generation
1	Andaman Nicobar Island	33	0.53	264
2	Andhra Pradesh	5,825	193.77	46,600
3	Arunachal Pradesh	70	4.59	560
4	Assam	1,510	45.09	12,080
5	Bihar	4,285	127.52	34,280
6	Chandigarh	2	0.06	16
7	Chattishgarh	888	36.18	7,104
8	Delhi	14	0.60	112
9	Goa	23	1.05	184
10	Gujarat*	1,722	192.35	13,776
11	Haryana	932	56.96	7,456
12	Himachal Pradesh	608	22.90	4,864
13	Jammu & Kashmir	6,175	128.78	49,400
14	Jharkhand	729	21.85	5,832
15	Karnataka	3,108	122.88	24,864
16	Kerala	1,958	50.95	15,664
17	Ladakh	138	6.18	1,104
18	Lakshadweep	-	0.00	-
19	Madhya Pradesh	1,658	80.00	13,264
20	Maharashtra**	2,299	121.48	18,392
21	Manipur	298	7.32	2,384
22	Meghalaya	386	12.36	3,088
23	Mizoram	191	7.19	1,528
24	Nagaland	455	8.69	3,640
25	Odisha	2,654	85.48	21,232
26	Puducherry	16	0.47	128

27	Punjab	1,124	74.11	8,992
28	Rajasthan	1,517	115.88	12,136
29	Sikkim	202	6.89	1,616
30	Tamil Nadu	5,575	172.81	44,600
31	Telangana	2,148	94.14	17,184
32	Tripura	382	9.83	3,056
33	Uttar Pradesh	6,802	289.17	54,416
34	Uttarakhand	509	20.21	4,072
35	West Bengal	759	31.77	6,072
Total		54,995	2150.02	439,960

* *Including Daman and Diu* ** *Including Dadra Nagar and Haveli*

Initiatives undertaken by the Ministry of MSME under PMEGP to promote the entrepreneurship across the country including Tamil Nadu, are as follows:

- i. Enhancement of maximum project cost from Rs. 25 lakh to Rs. 50 lakh for manufacturing sector and from Rs. 10 lakh to Rs. 20 lakh for service sector.
- ii. Inclusion of applicants from Aspirational districts and Transgenders under special category eligible for higher subsidy.
- iii. Acceptance of PMEGP applications from beneficiaries in physical form in 19 regional languages since June 2025 excluding Hindi and English.
- iv. Enhancing the scope of activities by modifying Negative list to allow more activities under Animal Husbandry like dairy, poultry, aquaculture and sericulture.
- v. A wide range of more than 1,000 Model of Detailed Project Reports have been prepared on various industries and made available on the PMEGP online portal enabling applicants to submit quality DPRs.
- vi. Entrepreneurship Development Programme (EDP) training is provided to prospective entrepreneurs and beneficiaries to provide orientation and awareness pertaining to various managerial and operational functions like finance, production, marketing, enterprise management etc.
- vii. Awareness programmes in all the States/UTs including backward and under-performing areas, Aspirational districts, North Eastern Region etc..

(c): NIL, There is no such scheme in Government of India
