

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3402**  
**TO BE ANSWERED ON: 12.03.2026**

**SUPPORT TO RURAL AND SEMI-URBAN MSMEs**

3402. SHRI ZIA UR REHMAN:

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

- (a) whether the Government has taken note of the challenges faced by Micro, Small and Medium Enterprises (MSMEs) regarding credit access, high interest rates and delayed payments and if so, the details thereof;
- (b) the details of initiatives undertaken to increase formal credit availability and digital onboarding of small enterprises; and
- (c) whether any new interventions are proposed to support rural and semi-urban MSMEs, including artisans and micro-manufacturers and if so, the details thereof?

**ANSWER**

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

(a) to (c): The Government has, inter-alia, undertaken the following measures at the policy level to enhance and strengthen the Micro, Small and Medium Enterprises ecosystem in the country, including Rural and Semi-Urban MSMEs:

- i. Ministry of MSME implements Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises to provide credit guarantee for loans extended to MSEs. The ceiling for guarantee coverage under the scheme is Rs 10 crore.
- ii. Self-Reliant India (SRI) Fund has been set up to infuse Rs. 50,000 crore as equity funding in MSMEs with a provision of Rs. 10,000 crore from the Government of India and Rs. 40,000 crore through Private Equity/Venture Capital Funds. 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.
- iii. The Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Package to support eligible MSMEs and business enterprises in meeting their operational liabilities due to disruption caused by COVID-19 pandemic. The Scheme was operational till 31.03.2023. As reported by Department of Financial Services, under ECLGS, since inception till 31.03.2023, total 1.13 crore guarantees covering a value of Rs.2.42 lakh crore have been extended to MSMEs.

- iv. Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 under Section 15–23 of Chapter V mandates payment to the MSEs to be made within 45 days. Under the provisions of the MSMED Act, 2006, Micro & Small Enterprises Facilitation Councils (MSEFCs) have been set up in the States/UTs to deal with cases of delayed payments of the MSEs. For filing and monitoring the pending payment cases by MSEs against the buyers of goods and services, the Government launched SAMADHAAN Portal on 30.10.2017. The cases filed on the portal are referred to the concerned MSEFC for resolution of dispute between the MSE seller and the buyer.
- v. Retail and wholesale traders have also been included under the MSME category for the purpose of Priority Sector Lending (PSL) with effect from 02.07.2021. To bring Informal Micro Enterprises (IMEs) into the formal financial framework and enable them to avail PSL benefits, the Udyam Assist Platform was launched on 11.01.2023. The Government has further extended non-tax benefits for a period of three years in cases of upward transition of MSME classification.
- vi. Under the Digital India programme, the Ministry of Electronics and Information Technology (MeitY) offers services on Digital Infrastructure as a Utility, Governance and Services on Demand, Digital Empowerment of Citizens and MSMEs. Digital payments are also done by MSMEs through different platforms. In order to improve and increase the integration of above technologies to help MSMEs for digitalisation across the Country, Ministry of MSME, in collaboration with stakeholders runs many initiatives, which inter-alia include the Udyam Portal, MSME Champions Portal, Government e-Marketplace, Trade Receivables Discounting System (TReDS), MSME Trade Enablement and Marketing Scheme, MSME SAMBANDH, Prime Minister's Employment Generation Programme (PMEGP) Portal, Khadi and Village Industries Commission Online, PM Vishwakarma Portal and Online Dispute Resolution portal.
- vii. PMEGP provides Margin Money subsidy up to 35%, for setting up of new micro enterprises, in the non-farm sector with project cost of Rs. 50 lakh for Manufacturing and Rs. 20 lakh for Service enterprises.
- viii. 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 loans up to Rs. 3 lakh with interest subvention up to 8%.

\*\*\*\*\*