



The Government has taken a number of initiatives to provide support to MSMEs for improving access to finance

Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE) ceiling increased from Rs. 5 Crore to Rs. 10 Crore

Margin Money (MM) subsidy upto 35% in the Non-Farm sector disbursed under Prime Minister's Employment Generation Programme (PMEGP)

Loans upto Rs. 3 Lakh with interest subvention upto 8% to artisans of 18 traditional trades are provided under PM Vishwakarma

Self Reliant India (SRI) Fund to infuse Rs. 50,000 Crore as equity funding in MSMEs

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Stakeholders' consultation is a continuous process in policy making including in the MSME sector. The Government of India has taken a number of initiatives and measures to provide support to Micro, Small and Medium Enterprises (MSMEs) for improving access to finance. Some of them are:

- i. The Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI) jointly set up Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE) in the year 2000, to provide credit guarantees for the loans extended by Member Lending Institutions (MLIs) to Micro and Small Enterprises (MSEs), without requiring collateral security or third-party guarantee under Credit Guarantee Scheme (CGS). Recently the Guarantee ceiling has been increased from Rs. 5 Crore to Rs. 10 Crore.
- ii. 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, respectively.
- iii. PM Vishwakarma 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 upto Rs. 3 Lakh with interest subvention of max upto 8%.

iv. Self Reliant India (SRI) Fund has been set up to infuse Rs. 50,000 Crores as equity funding in MSMEs, with Rs. 10,000 Crore from the Government of India and Rs. 40,000 Crore through Private Equity/Venture Capital Funds.

In addition, the Government has also taken various other measures to enhance access to credit for MSMEs including collateral free credit to MSEs, implementation of Trade Receivables Discounting System (TReDS), MutualCreditGuaranteeScheme for projects requiring loans upto Rs 100 Crore to procure machinery and equipment, reduction in timelines for credit decisions by banks etc.

This information was given by the Minister of State for Micro, Small and Medium Enterprises (Sushri Shobha Karandlaje) in a written reply in Lok Sabha.

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