

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 180
TO BE ANSWERED ON: 29.01.2026

CASH CRUNCH START-UPS IN MSMEs

180. SHRI ABHAY KUMAR SINHA:

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

- (a) whether the Government has undertaken any assessment of the cash crunch faced by start-ups and Micro, Small and Medium Enterprises (MSMEs) across the country including Bihar State and if so, the details thereof, State-wise;
- (b) whether any significant decline has been recorded in investment in the MSMEs sector in Bihar during the financial year 2024-25 and if so, the details thereof along with the steps taken thereon;
- (c) whether the Government has taken any specific steps in Bihar to address the 'funding winter' and shortage of financial resources prevailing in the start-up ecosystem and if so, the details thereof; and
- (d) whether the Government proposes any new scheme or special initiative to provide credit facilities and investment incentives for start-ups and MSME in Bihar including the Aurangabad Lok Sabha constituency, if so, the details thereof?

ANSWER

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

- (a): The Government of India has taken a number of measures to provide support to Micro, Small and Medium Enterprises (MSMEs) for improving access to finance and to bring the support of financial resources in the ecosystem across the country, including Bihar. Some of them are:
- 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 (CGTMSE) 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.
 - iii. Prime Minister's Employment Generation Programme(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 Services enterprises.
 - iv. 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 of max up to 8%.

(b) and (c): The Credit outstanding to MSME sector by Scheduled Commercial Banks (SCBs) in Bihar has increased from Rs. 40029.60 crore in FY 2022-23 to Rs.63666.35 crore in FY 2024-25 registering a growth of almost 62.87%. As regards CGTMSE the number of Credit Guarantees approved in Bihar has increased from 42360 in FY 2022-23 to 2,21,458 in FY 2024-25 registering a growth of 19%. The amount of guarantee approved increased from Rs. 3468 crore in FY 2022-23 to Rs 14120 crore in FY 2024-25 registering a growth of about 25%.

With respect to PMEGP in Bihar, the No. of Units Assisted for the FY 2022-23 stands at 4459 with Margin Money (MM) Subsidy disbursed of Rs. 12,123.2 crore whereas the No. of Units Assisted for the FY 2024-25 stands at 5035 with Margin Money (MM) Subsidy disbursed of Rs. 15045.14 crore registering a growth of almost 98% in terms of units assisted and about 81% in terms of Margin Money (MM) Subsidy disbursed.

The Ministry of MSME organises outreach programmes /stakeholders' consultations on regular basis for MSMEs through its field offices in coordination with Department of Financial Services, financial institutions, banks, NBFCs, CGTMSE and other stakeholders for spreading awareness about various credit related schemes.

(d): Union Budget 2024-25 announced a package covering financial support for MSMEs to help them grow, as given below:

- (i) Fund of Funds for Startups;
- (ii) Credit Cards for Micro Enterprises; and
- (iii) Export Promotion Mission
