

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1538**  
**TO BE ANSWERED ON 05.08.2024**

**CREDIT ACCESS AND FINANCE FOR MSMEs**

1538.               SHRI CHUNNILAL GARASIYA

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

- (a) whether Government has taken any appropriate steps to facilitate access of credit to Micro, Small and Medium Enterprises (MSMEs);
- (b) if so, the details thereof; and
- (c) the details of the present status of Trade Receivables Electronic Discounting System (TReDS) for improving access of finance to MSMEs ?

**ANSWER**

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

- (a) and (b): The Government has taken a number of steps to facilitate access of credit to Micro, Small and Medium Enterprises (MSMEs). Some of these steps are as follows :
- i. Credit Guarantee Scheme for Micro and Small Enterprises, under which Credit Guarantee Fund Trust for Micro and Small Enterprises provides guarantee to its Member Lending Institutions (MLIs) for the credit extended by them to Micro and Small Enterprises. Collateral free loan up to a limit of Rs. 500 lakh to Micro and Small Enterprises, with a guarantee coverage up to 85 % for various categories of loan is provided under Credit Guarantee Scheme. Since inception of the scheme till 30.06.2024, 91.76 lakh guarantees were approved involving an amount of Rs. 6.78 lakh crore.
  - ii. Prime Minister's Employment Generation Programme (PMEGP) is a major credit-linked subsidy programme which aims at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and rural/urban unemployed youth. A loan of upto Rs. 50 lakh for manufacturing sector and Rs. 20 lakh for service sector is provided under the scheme. Since inception, more than 9.69 lakh micro enterprises have been assisted with a Margin Money subsidy of more than Rs. 25,500 crore providing employment to an estimated 79 lakh persons.
  - iii. PM Vishwakarma Scheme provide end-to-end support to artisans and craftspeople including credit support at 5% interest rate alongwith guarantee coverage.

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- iv. Pradhan Mantri Mudra Yojana (PMMY) extends collateral free credit upto Rs. 10 lakh by Member Lending Institutions. Any individual who is otherwise eligible to take a loan and has a business plan for small business enterprise can avail loan under the Scheme for income generating activities in the manufacturing, trading, service sectors including activities allied to agriculture across three loan categories, viz. Shishu (loans up to Rs. 50,000/-), Kishore (loans above Rs. 50,000/- and up to Rs. 5 lakh) and Tarun (loans above Rs. 5 lakh and up to Rs. 10 lakh).
- v. Stand-Up India (SUI) Scheme facilitate loans from Scheduled Commercial Banks (SCBs) of value between Rs. 10 lakh and Rs. 1 crore, to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and one Women borrower per bank branch.

(c): Trade Receivables electronic Discounting System (TReDS) is a platform for financing/discounting of trade receivables of Micro, Small and Medium Enterprises. On these platforms, the financing of Factoring Units (FUs) helps in improving the access to finance by MSMEs. As informed by SIDBI, as on May, 2024, four digital platforms have been authorized to carry TReDS operations in the country. There are more than 5,000 buyers and over 53 Banks/13 NBFC registered as financiers.

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