

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1894**  
TO BE ANSWERED ON: 22.09.2020

**CREDIT GUARANTEE SCHEME FOR SUBORDINATE DEBT**

1894. SHRI PINAKI MISRA:  
SHRI M.V.V. SATYANARAYANAN:  
SHRI TALARI RANGAIAH:  
DR. BEESETTI VENKATA SATYAVATHI:

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

- (a) the number of Micro, Small and Medium Enterprises (MSMEs) expected to benefit from the Credit Guarantee Scheme for subordinate Debt (CGSSD);
- (b) the number of MSMEs that have availed themselves of the scheme thus far, with classification and the details of the criteria for inclusion under the scheme;
- (c) the amount of subordinate debt thus issued that is expected to be guaranteed by the Credit guarantee fund Trust for Micro and Small Enterprises;
- (d) the amount deposited in the Distressed ASSETS Fund –subordinated Debt for Stressed MSMEs for this purpose.
- (e) whether the amount deposited is sufficient and if so, the details thereof;
- (f) whether co-operative banks can lend under the scheme, if so, the details thereof and if not, the reasons thereof; and
- (g) whether the credit provided under CGSSD would be used to infuse equity in the MSME entity for the purpose of restructuring and if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF  
MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI PRATAP CHANDRA SARANGI)

(a) to (e): Government has approved the CGSSD to infuse Rs 20,000 crore in the system as credit to the promoters of the eligible units and the scheme is likely to cover around 2 lakh units. Government of India will provide Rs 4000 crore to the corpus of 'Distressed Assets Fund' in a phased manner to be operated by Credit Guarantee Trust for Micro and Small Enterprises for giving guarantee to the Lending institutions.

(f): The scheme is implemented only through Scheduled Commercial Banks.

(g): The objective of the scheme is to provide credit facility through lending institutions to the promoters of stressed MSMEs viz. SMA-2 and NPA accounts which are eligible for restructuring as per RBI guidelines on the books of the Lending institutions. The promoter would infuse the credit in the MSME as quasi equity or sub-debt. This will help Stressed Units (SMA-2 and NPA) in their revival.

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