

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 439
TO BE ANSWERED ON: 24.07.2023

LOAN FACILITIES TO MSMEs

439. SHRI S. SELVAGANABATHY:

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

- (a) the measures being taken to increase the loan facilities for Micro, Small and Medium Enterprises (MSMEs) in the country;
- (b) the details of amount of loan provided to MSMEs during the last three years in the country, year and State/UT-wise; and
- (c) the measures proposed to be taken to increase the availability of loan to MSMEs in this regard?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) & (c): The details of certain measures taken to improve flow of credit to MSMEs is given below:

- i. Priority Sector Lending Guidelines: In terms of Master Direction on 'Priority Sector Lending (PSL) – Targets and Classification' dated September 4, 2020, all bank loans to MSMEs conforming to the conditions prescribed therein qualify for classification under priority sector lending.
- ii. Collateral requirements of MSME units: Schedule Commercial Banks (SCBs) have been mandated not to accept collateral security in the case of loans up to ₹10 lakh extended to units in MSE category. RBI issued circular No. RPCD.SME & NFS. BC. No. 79/06.02.31/2009-10 dated May 6, 2010.
- iii. Working Capital Computation: Computation of working capital requirement of MSE units to be done by banks on the basis of simplified method of minimum 20% of the projected annual turnover of the unit for borrowal limits up to ₹5 crore.
- iv. With effect from 01.04.2023, the credit limit for Guarantee Coverage under Credit Guarantee Scheme for Micro & Small Enterprises has been enhanced from ₹ 2 crore to ₹ 5 crore and the annual guarantee fees have been reduced by 50% .
- v. Under the revised guideline of Prime Minister's Employment Generation programme (PMEGP) issued on 13.05.2022, the project cost for Manufacturing and Services have been enhanced to Rs. 50.00 Lakh and Rs. 20.00 Lakh respectively.

- vi. Under Atmanirbhar Bharat packages, the Government of India has announced Fund of Funds to infuse Rs. 50,000 crore equity in MSMEs which have the potential and viability to grow. Under this scheme Government has a provision of corpus of Rs. 10,000 crore from Government of India.
- vii. New revised composite criteria of Investment & turnover for classification of MSMEs adopted on 26.06.2020.
- viii. No global tenders for procurement up to Rs. 200 crore.
- ix. “Udyam Registration” for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020.
- x. Launch of Udyam Assist Platform on 11.1.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefits under Priority Sector Lending.
- xi. Infusion of Rs.9000 crore in the corpus of Credit Guarantee Fund Trust for MSEs to enable an additional credit of Rs. 2.00 lakh crore at reduced cost (Budget announcement 2023).

(b): The details of amount of loan outstanding with respect to MSMEs during the last three years are given in Annexure – I.

Annexure referred to in reply to part (b) of Rajya Sabha Un Starred Question No. 439 for answer on 24.07.2023.

Credit outstanding to MSME Sector by Scheduled Commercial Banks during last 3 years

Rs. in crore

Sr. No	State	Amount Outstanding as on		
		March 31, 2021	March 31, 2022	March 31, 2023
1	Andamans	786.59	769.05	914.82
2	Andhra Pradesh	62,878.79	71,877.26	83,162.34
3	Arunachal Pradesh	906.96	1,014.15	1,091.71
4	Assam	22,698.71	20,837.48	24,120.24
5	Bihar	33,303.92	34,002.47	40,029.60
6	Chandigarh	9,729.48	11,968.00	12,605.26
7	Chattisgarh	25,988.89	31,919.39	36,423.07
8	Dadar & Nagar Haveli and Daman & Diu	1,548.44	1,834.92	2,056.72
9	Delhi	1,08,796.40	1,30,604.29	1,39,553.03
10	Goa	5,578.65	5,700.10	6,126.68
11	Gujarat	1,46,872.76	1,85,075.74	2,11,808.82
12	Haryana	624,57.67	80,103.24	97,119.95
13	Himachal Pradesh	9,830.08	11,665.19	13,683.43
14	Jammu & Kashmir	16,354.21	16,694.63	16,502.48
15	Jharkhand	23,839.56	26,257.14	29,732.02
16	Karnataka	1,06,007.59	1,26,575.65	1,40,027.83
17	Kerala	60,200.80	67,543.53	76,807.52
18	Lakshadweep	22.65	25.93	32.46
19	Madhya Pradesh	63,009.09	72,347.61	83,396.88
20	Maharashtra	3,52,894.81	3,39,446.16	3,80,301.18
21	Manipur	1,153.81	1,159.81	1,429.85
22	Meghalaya	1,237.84	1,334.84	1,467.25
23	Mizoram	697.14	705.42	735.25
24	Nagaland	863.59	880.93	1,059.01
25	Odisha	36,311.11	39,905.15	45,128.43
26	Puducherry	3,192.45	3,456.85	3,986.93
27	Punjab	59,272.69	70,967.23	80,893.45
28	Rajasthan	76,129.31	95,615.51	1,04,760.37
29	Sikkim	813.04	808.66	970.95
30	Tamil Nadu	1,91,350.67	2,19,118.87	2,39,879.93
31	Telangana	66,334.66	83,155.95	96,028.26
32	Tripura	3,116.69	2,168.20	2,340.35
33	Uttarakhand	28,751.41	17,591.92	47,319.83
34	Uttar Pradesh	1,05,215.15	1,36,723.44	1,32,130.25
35	West Bengal	95,779.19	1,01,202.28	1,06,509.13
	Total	17,83,924.80	20,11,056.98	22,60,135.28

Source : RBI/Priority Sector Returns submitted by SCBs