

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 905
TO BE ANSWERED ON 11.12.2023

DISBURSEMENT OF LOAN TO MSMEs

905. SHRI. DHANANJAY BHIMRAO MAHADIK:

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

- (a) whether banks lend loan to Micro, Small and Medium Enterprises (MSMEs) across the country, if so, the details thereof;
- (b) whether any action is being taken to ensure that the collateral requirements for loans being demanded from MSMEs in Maharashtra are fair and reasonable according to the size and financial capability of their business; and
- (c) whether Government is planning other schemes to provide easy credit facilities to MSMEs and if so, the details thereof?

ANSWER

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

- (a): Banks lend loans to Micro, Small and Medium Enterprises (MSMEs) across the country. As reported by Reserve Bank of India (RBI), the credit outstanding to MSME sector by Scheduled Commercial Banks across the country at the end of March 2023 is 22.60 lakh crore.
- (b): Further, as informed by RBI, banks are mandated not to accept collateral security in case of loans upto Rs. 10 lakh, extended to units in the MSE sector in the country, including the State of Maharashtra. Banks are also advised to strongly encourage their branch level functionaries to avail the Credit Guarantee Scheme cover.
- (c): The Government has taken various measures including ongoing schemes to provide easy credit facilities to MSMEs. Some of these include the following:
 - Prime Minister's Employment Generation Programme (PMEGP) which is a major credit-linked subsidy programme aimed at generating self-employment;
 - Pradhan Mantri Mudra Yojna (PMMY) for providing loans up to Rs. 10 lakh to the non-corporate, non-farm small/micro enterprises;
 - PM Vishwakarma Scheme: A Central Sector Scheme with budget outlay of Rs. 13,000 crore for its implementation during the period of 2023-24 to 2027-28. The scheme envisages to provide end to end holistic support to artisans and craftspeople who work with their hands, using tools, in the 18 trades covered.

: 2 :

- Strengthen credit delivery system and to facilitate the flow of credit to the Micro and Small Enterprise sector without the hassles of collateral and third party guarantee up to a maximum of Rs. 5 crore through Credit Guarantee Scheme for Micro and Small Enterprises;
- Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit of MSME for availing the benefits under Priority Sector Lending;
- Inclusion of Retail and Wholesale traders as MSMEs for the purpose of availing Priority Sector Lending benefits, w.e.f. 02.07. 2021;
- Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs;
- Trade Receivable Discounting System (TReDS) to facilitate the financing of trade receivables of MSMEs from corporate and other buyers including government departments and public-sector undertakings (PSUs) through multiple financiers electronically;
- Rs. 50,000 crore equity infusion through Self Reliant India (SRI) Fund;
- Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs was announced during the COVID-19 pandemic to fulfill the credit gap in MSMEs. The scheme was operational till 31.03.2023.
