

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3717
TO BE ANSWERED ON 23.03.2023

EASE IN LOAN AVAILABILITY

3717. SHRIMATI MALA RAJYA LAXMI SHAH:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:

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

- (a) whether the Government has taken policy measures to provide ease to Micro, Small and Medium Enterprises (MSMEs) in getting loan from financial institution;
- (b) if so, the details thereof;
- (c) the details of the other measures being taken by the Government for MSMEs in addition to ensure ease in loan availability; and
- (d) the details of the funds invested in such industries in Uttarakhand and Bundelkhand region during the last five years?

ANSWER

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

(a) to (c): The Government has taken measures for easing access to credit for MSMEs. As reported by Reserve Bank of India (RBI) some of the measures taken by RBI for improving flow of credit to MSME sector are as under:

- 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:** Scheduled Commercial Banks have been mandated not to accept collateral security in the case of loans up to ₹10 lakh extended to units in the MSE sector.
- iii. **Trade Receivables Discounting System (TReDS):** In order to address the problem of delayed payments to MSMEs, RBI has issued guidelines for setting up and operating Trade Receivables Discounting System (TReDS). The scheme facilitates the financing of trade receivables of MSMEs from corporate and other buyers, including government departments and public sector undertakings (PSUs) through multiple financiers electronically.

- iv. Several special frameworks have been introduced since 2019 to enable banks to restructure their MSME exposures, subject to certain conditions, to address the stress in the sector due to various factors. A special restructuring window was opened for MSMEs on January 01, 2019, which was extended vide notification dated February 11, 2020 and subsequently subsumed under the COVID Resolution Frameworks for MSMEs announced on August 06, 2020 and May 05, 2021.

In addition to the above, following measures have also been taken to provide credit to MSMEs:

- (i) Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses including MSMEs.
 - (ii) Credit Guarantee Scheme (CGS): Ministry of MSME has been operating Credit Guarantee Scheme for Micro & Small Enterprises through Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) since July, 2000. Under this scheme upto 85% guarantee is extended upto credit facility of Rs. 200 lakh, for both term loan and working capital. Budget 2023-24 announced the infusion of Rs.9,000 crore in the corpus of CGTMSE to enable an additional credit of Rs. 2 lakh crore with reduced cost of the credit.
 - (iii) Rs. 50,000 crore equity infusion through Self Reliant India Fund.
 - (iv) New revised criteria for classification of MSMEs.
 - (v) No global tenders for procurement up to Rs. 200 crore.
 - (vi) “Udyam Registration” for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020.
 - (vii) Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including grievance redress and handholding of MSMEs.
 - (viii) Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 2.7. 2021 for priority sector lending.
 - (ix) Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
 - (x) Launch of Udyam Assist Platform on 11.1.2023 to bring Informal Micro Enterprises under the formal ambit for availing the benefits under Priority Sector Lending.
- (d): As informed by Credit Guarantee Fund Trust for Micro & Small Enterprises & Department of Financial Services the details of fund provided to the beneficiaries under the CGS, ECLGS, Credit Guarantee Scheme for Stand Up India and Credit Guarantee Fund for Micro Units in Uttarakhand and Bundelkhand region during the last five years are given at Annexure – I.

Annexure is referred of part (d) of Lok Sabha Unstarred Question no. 3717 on "Ease in Loan Availability" due for reply on 23.03.2023

1. Credit Guarantee Scheme for Micro and Small Enterprises

State Name	Financial Year	No. of Guarantee Approved	Sanctioned Amount in Cr
Uttarakhand	2018-19	4,693	318
	2019-20	11,158	482
	2020-21	9,671	441
	2021-22	10,048	629
	2022-23	14,615	1041
Bundelkhand region	2018-19	4,204	227.75
	2019-20	4,805	212.25
	2020-21	7,736	203.47
	2021-22	7,586	322.21
	2022-23	8,265	549.98

Source: CGTMSE (Data as on 28.02.2023)

2. Emergency Credit Line Guarantee Scheme

State Name	Financial Year	No. of Guarantees issued	Sanctioned Amount in Cr
Uttarakhand	2020-21	61,180	1,696.35
	2021-22	8,250	907.35
	2022-23	615	157.5
Bundelkhand region	2020-21	37,760	477
	2021-22	12,021	171.69
	2022-23	316	29.39

Source: DFS (Data as on 28.02.2023)

3. Credit Guarantee Scheme for Stand Up India

State Name	Financial Year	No. of Loan Records	Sanctioned Amount in Cr
Uttarakhand	2018-19	289	40.66285
	2019-20	92	13.951035
	2020-21	44	7.7795
	2021-22	14	3.25
	2022-23	108	20.171987
Bundelkhand region	2018-19	101	13.455855
	2019-20	50	7.30265
	2020-21	29	4.7739585
	2021-22	20	4.5538
	2022-23	15	1.998

Source: DFS (Data as on 28.02.2023)

4. Credit Guarantee Fund for Micro Units

State Name	Financial Year	No. of Loan Records	Sanctioned Amount in Cr
Uttarakhand	2018-19	28,237	715.741231
	2019-20	16,586	360.406292
	2020-21	10,759	242.840397
	2021-22	13,807	324.933201
	2022-23	15,858	364.377044
Bundelkhand region	2018-19	18,423	447.791912
	2019-20	8,480	152.556214
	2020-21	6,238	129.422115
	2021-22	19,318	179.237702
	2022-23	10,871	191.08615

Source: DFS (Data on as 28.02.2023)