

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2479**  
**TO BE ANSWERED ON 03.08.2023**

**MSME LOANS IN ODISHA**

2479. SHRI BHARTRUHARI MAHTAB:

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

- (a) the steps taken by the Government to overcome the challenges that Micro, Small and Medium Enterprises (MSMEs) in Odisha are facing in getting loans from bank;
- (b) whether the Government evaluated the collateral demands that banking institutions place on MSMEs in Odisha and if so, the details thereof; and
- (c) the actions being taken by the Government to ensure that the collateral requirements for MSME loans in Odisha are fair and appropriate for the size and financial capacity of the businesses?

**ANSWER**

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

(a) & (c): The, Government has taken many measures to improve the flow of credit to MSMEs in the country including the State of Odisha. Some of them are 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 Micro & Small Enterprises category. RBI issued circular No. RPCD.SME & NFS. BC. No. 79/06.02.31/2009-10 dated May 6, 2010.
- iii. CGTMSE provides credit guarantee to its Member Lending Institutions for loans extended by them to Micro and Small Enterprises without any collateral security and third party guarantee.
- 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 guidelines 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 from Rs. 25.00 Lakh and Rs. 10.00 Lakh.

- vi. Under Aatmanirbhar Bharat packages, the Government of India has announced Self Reliant India Fund to infuse equity in MSMEs which have the potential and viability to grow.
  - 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 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefits under Priority Sector Lending.
  - xi. Infusion of Rs.9,000 crore in the corpus of Credit Guarantee Fund Trust for MSEs to enable an additional credit of Rs.2.00lakh crore at reduced cost (Budget announcement 2023).
- (b): The details of guarantees approved under CGTMSE in the state of Odisha are given below.

CGTMSE – Guarantee Approved - ODISHA		
Duration	No.	Amt. (Rs.Crore)
FY 2000-23 (Since inception)	2,82,754	15,453
(Data as on 30/06/2023)		

Source: CGTMSE

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