

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3649
TO BE ANSWERED ON 10.08.2023

HASSLE FREE LOAN TO SMALL BUSINESSES

3649. SHRI RAMESH BIDHURI:

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

- (a) whether the Government has taken any steps for providing hassle free loan to small businesses in the country;
- (b) if so, the details thereof;
- (c) the number of applications received under Stand-Up India scheme along with the total funds disbursed so far; and
- (d) the steps taken for the development of non-corporate, small and micro businesses in the country?

ANSWER

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

(a), (b) & (d): The Government of India has taken many steps to provide hassle free loan to develop Micro, Small and Medium Enterprises (MSMEs) in the country. 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: Scheduled 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%.
- i. 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, 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. 01.07.2020.
 - x. Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises under the formal ambit for availing the benefits under Priority Sector Lending.
- (c): As reported by Department of Financial Services (DFS), a total number of 2,11,501 loan applications have been received in which 1,90,897 loans have been sanctioned to women and SC/ST entrepreneurs in the country under Stand Up India Scheme and an amount of Rs. 20,541 crore has been disbursed.
