

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2038**  
**TO BE ANSWERED ON 14.12.2023**

**LOANS TO MSMEs**

2038. DR. DNV SENTHILKUMAR S. :  
SHRI AJAY KUMAR MANDAL:  
SHRIMATI NAVNEET RAVI RANA:  
SHRI SUNIL KUMAR PINTU:  
MS. LOCKET CHATTERJEE:  
SHRIMATI RAMA DEVI:  
SHRIMATI SUPRIYA SULE:  
DR. AMOL RAMSING KOLHE:  
DR. SUBHASH RAMRAO BHAMRE:  
SHRI RAMESH CHANDER KAUSHIK:  
SHRI KULDEEP RAI SHARMA:

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

- (a) whether the banks lend Micro, Small and Medium Enterprises (MSMEs) across the country and if so, the details thereof;
- (b) whether the MSMEs are facing problems in getting loans from banks and if so, the steps taken by the Government to overcome the challenges being faced by the MSMEs in getting loans from banks in Maharashtra, Bihar, West Bengal, Tamil Nadu and Haryana;
- (c) whether the Government has made an assessment of the collateral securities being demanded by the banking institutions while offering loans to MSMEs in the said States and if so, the details thereof;
- (d) whether any action is being taken to ensure that the collateral requirements for loans being demanded from MSMEs in the said States are fair and reasonable according to the size and financial capability of their business and if so, the details thereof;
- (e) whether the Government proposes other schemes to provide easy credit facilities to MSMEs and if so, the details thereof; and
- (f) whether the Government has conducted any survey of closed MSMEs and if so, the details thereof?

**ANSWER**

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

(a) to (e): The Government has taken various measures to ensure sufficient financial accessibility and seamless credit to Micro, Small and Medium Enterprises (MSMEs) in the country, including the States of Maharashtra, Bihar, West Bengal, Tamil Nadu and Haryana. Some of the credit related initiatives 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 non-corporate, non-farm micro/small enterprises;

- Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs .The scheme was in operation till 31.03.2023;
- Strengthening of 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;

In terms of para 4.2 of RBI Master Direction FIDD, MSME & NFS.12/06.02.31/2017-18 on Lending to Micro, Small & Medium Enterprises (MSME) Sector dated July 24, 2017 (updated July 29, 2022) all scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) are mandated not to accept collateral security in the case of loans upto Rs. 10 lakh extended to units in MSE sector.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) provides credit guarantee to its member lending institutions for loans extended by them to micro and small enterprises (MSEs) without any collateral security and third-party guarantee. CGTMSE has recently collaborated with state of government of Tamil Nadu and West Bengal to support credit guarantee for MSEs in those states. The CGTMSE details of guarantee approved for Maharashtra, Bihar, West Bengal, Tamil Nadu and Haryana are mentioned in attached Annexure.

(f): A study conducted by SIDBI from September, 2021 to January, 2022, comprising 1,029 Micro, Small and Medium Enterprises (MSMEs) spread across 20 States and 2 UTs revealed that 67% of the respondent MSMEs were temporarily closed up to a period of three months. The study revealed that around 65% of the MSMEs surveyed, have availed the benefits under Emergency Credit Line Guarantee Scheme and around 36% of the respondents (MSMEs) also availed loans under the Credit Guarantee Scheme for Micro & Small Enterprises.

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Annexure referred in part (a) to (e) of answer to Lok Sabha Unstarred Question no. 2038 on “Loans to MSMEs” due for reply on 14.12.2023.

*Amt.(₹ Crore)*

CGTMSE – GUARANTEE APPROVED										
Duration	Maharashtra		Bihar		West Bengal		Tamil Nadu		Haryana	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
FY 2020-21	71,850	4,416	22,317	1,086	29,789	1,618	61,535	3,344	18,499	1,218
FY 2021-22	56,027	6,840	24,217	1,661	37,033	2,887	44,897	4,134	22,285	2,707
FY 2022-23	66,055	11,926	42,360	3,468	54,440	6,036	61,883	7,114	30,343	5,025
FY 2023-24 Till 30/11/2023	72,134	13,078	51,934	4,285	57,551	6,693	65,327	8,541	28,632	5,225
Cumulative since Inception as on 30/11/2023	6,33,179	62,807	3,29,852	19,330	4,02,097	29,218	6,67,115	42,270	1,71,742	19,457

Source: CGTMSE