

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 490
TO BE ANSWERED ON 04.02.2021

FINANCIAL ASSISTANCE FOR DEVELOPMENT OF MSMEs

490. SHRI RAVI KISHAN:
SHRI CHANDRA SHEKHAR SAHU:
SHRI RAVINDRA KUSHWAHA:
SHRI SUBRAT PATHAK:
SHRI BIDYUT BARAN MAHATO:
SHRI SUDHEER GUPTA:
SHRI SANJAY SADASHIVRAO MANDLIK:
SHRI SHRIRANG APPA BARNE:

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

- (a) the steps taken by the Government to provide financial assistance to develop Micro, Small and Medium Enterprises (MSME) units in the country;
- (b) the details of existing outstanding loan disbursed by Banks and state / UTs for MSME sector;
- (c) the details of MSME units which got closed / became sick during the period of Covid 19;
- (d) the steps being taken by the Government to revive closed / sick MSME units during the period of COVID-19; and
- (e) whether the Government had tied up with commercial banks to provide loan to MSMEs under any scheme and if so, the detail thereof; and
- (f) whether the Government has launched any scheme for providing loan to MSMEs and if so, the details thereof along with the details regarding extent of loans admissible under the scheme?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a): Ministry of Micro, Small and Medium Enterprises (MSME) has taken several initiatives to provide financial assistance to Micro, Small and Medium Enterprises, which include the schemes/programmes such as Prime Minister's Employment Generation Programme (PMEGP) for creation of non-farm employment, Credit Guarantee Scheme (CGTMSE) for collateral free loans to Micro and Small Enterprises, Credit linked Capital Subsidy-Technology Upgradation Scheme (CLCS-TUS) for technology upgradation for MSEs etc. In addition to this, Government has also announced measures under Atmanirbhar Bharat package to increase availability of credit to the MSME sector which inter-alia include Rs 20,000 crore Subordinate Debt for MSMEs under Credit Guarantee Scheme for Subordinate Debt (CGSSD), Rs. 3 lakh crores collateral free automatic loans for business, including MSMEs under Emergency Credit Line Guarantee Scheme (ECLGS), Rs. 30,000 crore Special Liquidity Scheme for NBFC/HFC/MFI, Pradhan Mantri SvaNIDHI Scheme for collateral free loans to Street Vendors etc. As on date 34 Banks have registered under CGSSD. As informed by Department of Financial Services, as on 25.01.2021, guarantees to the tune of around Rs 2,01,364 crore has been issued under ECLGS. In addition to this, Ministry of MSME also provides guarantees in respect of credit facilities extended by Lending Institutions to the borrowers in Micro and Small Enterprises (MSEs) sector.

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(b): The details of the outstanding bank credit to Micro & Small enterprises as published by RBI on 29.01.2021, is given in the table below:

(Rs.crore)				
Dec.21, 2018	Mar.29, 2019	Dec.20, 2019	Mar.27, 2020	Dec.18, 2020
1004744	1067175	1061953	1149394	1131858
Source- RBI				

(c): With the issuance of guidelines on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises' to Scheduled Commercial Banks (excluding Regional Rural Banks) in March 2016, the concept of sickness no longer exists. Under the framework, banks to identify incipient stress (well before the account turns in to sick category as per the earlier definition) in the MSME accounts and refer it to the Committee formed under the framework for suitable Corrective Action Plan viz. rectification, restructuring and recovery. Data in this regard from the half year ended March 2017 to half year ended March 2020 is given in Annexure I.

(d) to (f): As indicated in Part (a) of the question, above, the Government has announced Credit Guarantee Scheme for Subordinate Debt. Under this scheme, promoters of stressed MSMEs viz. SMA-2 and NPA accounts which are eligible for restructuring as per RBI guidelines on the books of the Lending institutions, will be provided with credit facilities to be covered under guarantee by the CGTMSE. The promoters will infuse the funds for revival of such Units. Moreover, Government has also announced Rs. 3 lakh crores Collateral free Automatic Loans under Emergency Credit Line Guarantee Scheme (ECLGS) for business, including MSMEs, for those accounts which are classified as SMA-0 and SMA-1.

Annexure I

Annexure-I referred to in reply to part (c) of Lok Sabha Unstarred Question No. 490 for answer on 04.02.2021.

Data on Framework for Revival and Rehabilitation of MSME

(Accounts in Actual)

SI. No.	For the half year	Accounts referred to the Committee during the half year (1)	Accounts resolved by the Committee during the half year (2)	Corrective Action Plan by the Committee (out of 2)		
				Rectification	Restructuring	Recovery
1	October 2016-March 2017	100803	137282	80905	2197	54180
2	April 2017-September 2017	87062	95107	58512	207	36388
3	October 2017-March 2018	130208	130473	81492	1024	47957
4	April 2018-September 2018	150165	123227	76172	201	46854
5	October 2018 to March 2019	142275	146519	78737	15425	52357
6	April 2019-September 2019	172949	150613	71203	14240	65170
7	October 2019-March 2020	339728	324621	71938	148369	104314

Source: RBI

*Number of cases resolved by the committee is more than the cases referred due to some pending cases with the committee at the beginning of the half year which have been resolved during the period.