

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3510
TO BE ANSWERED ON 24.03.2022

FINANCIAL RELIEF PACKAGE TO MSME SECTOR

3510. DR. SHASHI THAROOR:

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

- (a) whether the Government has maintained a record of spending on MSME sector from the Prime Minister's twenty trillion rupees relief package announced in 2020;
- (b) if so, the details thereof, State-wise and if not, the reasons therefor;
- (c) whether small and medium-sized NBFCs and MFIs have benefitted from the TLTRO of Rs 50,000 crore announced by the RBI in 2020;
- (d) if so, the details thereof, State-wise and if not, the reasons therefor;
- (e) whether initiatives have been taken by the Government to reduce dependence on Chinese imports and attract global investment in India, if so, the details thereof and if not, the reasons therefor; and
- (f) whether the Government has taken into account the Standing Committee's assessment of the stimulus package offered for economic revival as 'inadequate' and considered providing a 'larger economic package' to improve cash flow instead of a loan offering through the ECLGS scheme and if so, the details thereof?

ANSWER

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

(a) & (b): As on 18th March 2022, 1.18 crore MSMEs have been provided with 100% guaranteed collateral free loans amounting to Rs. 3.23 lakh crore under the Guaranteed Emergency Credit Line (GECL)/ Emergency Credit Line Guarantee Scheme (ECLGS). As on 14th March 2022, 765 guarantees amounting to Rs. 84.40 crore have been approved under the Credit Guarantee Scheme of Subordinate Debt (CGSSD) for Stressed MSMEs. The State-wise details of GECL and CGSSD are at Annexure I and II respectively.

(c) & (d): As informed by the Reserve Bank of India the first auction under TLTRO 2.0 was conducted on April 23, 2020 for ₹ 25,000 crore and the banks availed an amount ₹ 12,850 crore.

(e): The Government of India has made sustained efforts to achieve a more balanced trade with China, including bilateral engagements to address the non-tariff barriers on Indian exports to China. The Government has also taken measures in form of trade remedies (Anti-dumping, countervailing duty etc.) against unfair trade practices and formulated technical regulations and issued quality control orders to check substandard imports. Efforts have also been made to source critical supplies from alternate sources and sensitize the ministries/departments concerned to ramp up domestic capacities.

The Government reviews the FDI policy on an ongoing basis and makes changes from time to time, to ensure that India remains an attractive & investor friendly destination. The intent is to remove policy bottlenecks that may be hindering investment inflows into the country. Changes are made in the policy after having intensive consultations with stakeholders including apex industry chambers, Associations, representatives of industries/groups and other organizations taking into consideration their views/comments.

(f): For scaling up of MSMEs, the Government has announced the Self Reliant India Fund with an objective to channelize funds to MSMEs as growth capital, in the form of equity or quasi-equity for growth of MSMEs. As informed by RBI, some of the measures taken by the Government for improving flow of Credit to MSME sector are as under:

- i. 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.
- ii. Computation of working capital requirements of MSE units to be done by banks on the basis of simplified method of minimum 20% of the projected annual turnover of the unit for borrowal limits up to ₹5 crore.
- iii. In order to solve the problem of delayed payment to MSMEs, RBI has issued guidelines for setting up and operating the Trade Receivables Discounting System (TReDS).
- iv. Differential Rate of Interest for Micro and Small Enterprises.
- v. With a view to improve monetary policy transmission, banks have been advised to link loans to Micro and Small Enterprises to an external benchmark from October 01, 2019.

ANNEXURE-I

Annexure referred to in reply to part (a)&(b) of the Lok Sabha Unstarred Question No.3510 for answer on 24.03.2022

ECLGS STATE WISE DATA AS ON 18-03-2022		
STATE NAME	No of Guarantees Issued	Loan Amount Guaranteed (Rs. In Cr)
ANDAMAN & NICOBAR	2,094	133.59
ANDHRA PRADESH	2,89,579	11,747.77
ARUNACHAL PRADESH	2,368	93.23
ASSAM	5,52,247	3,437.2
BIHAR	8,27,480	4,879.41
CHANDIGARH	7,153	1,182.95
CHHATTISGARH	2,00,351	5,619.53
DADRA & NAGAR HAVELI	2,285	411.5
DAMAN & DIU	1,030	193.71
DELHI	1,05,205	21,064.02
GOA	12,776	1,309.8
GUJARAT	3,72,809	30,178.41
HARYANA	2,04,832	15,061.79
HIMACHAL PRADESH	50,799	2,244.73
JAMMU & KASHMIR	68,265	2,366.17
JHARKHAND	2,99,621	3,750.7
KARNATAKA	8,79,752	21,723.19
KERALA	5,38,484	10,827.28
LADAKH	1,032	53.61
LAKSHA DEEP	371	2.1
MADHYA PRADESH	5,69,879	10,318.97
MAHARASHTRA	10,15,379	52,423.15
MANIPUR	10,548	132.15
MEGHALAYA	11,486	223.88
MIZORAM	3,855	63.23
NAGALAND	7,550	75.99
ORISSA	9,37,994	6,074.01
PONDICHERRY	22,683	584.58
PUNJAB	2,16,420	10,370.46
RAJASTHAN	5,53,160	16,527.5
SIKKIM	8,342	126.4
TAMILNADU	8,92,736	34,998.92
TELANGANA	1,46,096	13,754.57
TRIPURA	62,579	289.6
UTTAR PRADESH	8,18,630	19,934.3
UTTARAKHAND	74,241	30,42.06
WEST BENGAL	20,27,446	18,375.14
Total	1,17,97,557	3,23,565.54

Sources: Department of Financial Services (DFS), Ministry of Finance

Annexure referred to in reply to part (a)&(b) of the Lok Sabha Unstarred Question No.3510 for answer on 24.03.2022

State wise Guarantee Coverage under CGSSD - cumulative as on March 14, 2022			
Sr. No.	State Name	No. of Guarantees Approved	Amount of Guarantees Approved (Rs. In lakhs)
1	ANDAMAN & NICOBAR	1	3.50
2	ANDHRA PRADESH	30	418.25
3	ARUNACHAL PRADESH	1	36.00
4	ASSAM	9	125.15
5	BIHAR	17	48.43
6	CHANDIGARH	7	59.56
7	CHHATTISGARH	11	54.40
8	DAMAN & DIU	2	14.00
9	DELHI	21	339.91
10	GUJARAT	24	241.54
11	HARYANA	6	93.83
12	HIMACHAL PRADESH	18	150.59
13	JAMMU & KASHMIR	26	142.46
14	JHARKHAND	21	166.79
15	KARNATAKA	50	979.83
16	KERALA	28	429.04
17	MADHYA PRADESH	42	366.29
18	MAHARASHTRA	80	1,070.19
19	MIZORAM	2	1.27
20	ORISSA	39	142.39
21	PUNJAB	81	826.78
22	RAJASTHAN	28	177.80
23	TAMILNADU	89	1,154.88
24	TELANGANA	33	450.32
25	UTTAR PRADESH	61	591.53
26	UTTARAKHAND	13	150.13
27	WEST BENGAL	25	205.66
Total		765	8,440.50

Sources: Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)