

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1663
TO BE ANSWERED ON 05.12.2024

CHALLENGES FACED BY MSMEs IN GETTING BANK LOANS

1663. SHRI AMAR SHARADRAO KALE:
SHRI MOHITE PATIL DHAIRYASHEEL RAJSINH:
SHRI SANJAY DINA PATIL:
SHRI BAJRANG MANOHAR SONWANE:
DR. AMOL RAMSING KOLHE:
SMT. SUPRIYA SULE:
PROF. VARSHA EKNATH GAIKWAD:
SHRI NILESH DNYANDEV LANKE:

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

- (a) whether Banks have set any criteria for lending loans to MSMEs, if so, the details thereof;
- (b) whether many MSMEs are facing problems in getting loans from banks, if so, the steps taken by the Government to overcome the challenges being faced by the MSMEs in getting loans from banks in Maharashtra;
- (c) whether the Government has made an assessment of the collateral securities being demanded by the banking institutions while offering loans to MSMEs in Maharashtra 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 State are fair and reasonable according to the size and financial capability of their business and if so, the details thereof; and
- (e) whether the Government proposes other schemes to provide easy credit facilities to MSMEs and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): As informed by Reserve Bank of India (RBI), in terms of paragraph 4.1 of the Master Direction dated July 24, 2017 on 'Lending to Micro, Small & Medium Enterprises (MSME) Sector' (updated as on June 11, 2024), Banks are mandated not to accept collateral security in the case of loans upto Rs. 10 lakh extended to units in the Micro and Small Enterprises (MSE) sector. Banks may, on the basis of good track record and financial position of the MSE units, increase the limit to dispense with the collateral requirement for loans upto Rs. 25 lakh.

: 2 :

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.

(b) to (e): Details of guarantees approved cumulatively under the Credit Guarantee Scheme for Micro and Small Enterprises in respect of the State of Maharashtra as on Oct 31, 2024 are given below:

CGTMSE – Guarantee Approved – Maharashtra		
Duration	No.	Amt. ₹ Crore
Cumulative as on Oct 31, 2024	7,70,816	90,376

Further, the Government has taken many measures to improve the flow of credit to MSMEs in the country including the State of Maharashtra. Some of them are given below:

- i. 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 under Credit Guarantee Scheme for Micro and Small Enterprises.
- ii. Under the revised guidelines of Prime Minister's Employment Generation Programme issued on 13.05.2022, the project cost for Manufacturing and Services has been enhanced to Rs. 50.00 Lakh and Rs. 20.00 Lakh, respectively, from Rs. 25.00 Lakh and Rs. 10.00 Lakh.
- iii. Under Aatmanirbhar Bharat, the Government of India has set up Self Reliant India Fund to infuse equity in MSMEs which have the potential and viability to grow.
- iv. New revised composite criteria of Investment and turnover for classification of MSMEs adopted on 26.06.2020.
- v. "Udyam Registration" for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020.
- vi. Launch of Udyam Assist Platform on 11.1.2023 to bring Informal Micro Enterprises under the formal ambit for availing Priority Sector Lending benefits.
