

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. 56
TO BE ANSWERED ON: 04.02.2021

LOANS TO MSMEs

*56. SHRI KOMATI REDDY VENKAT REDDY:

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

- (a) whether there has been some slowdown in loans sanctioned to struggling businesses and Micro, Small and Medium Enterprises (MSMEs) in the pre and post Covid-19 period;
- (b) if so, the comparative details thereof and the reasons therefor;
- (c) the corrective steps being taken/results yielded, loan-wise, during the last three years and the current year;
- (d) the relief measures under the loan moratorium scheme extended to MSMEs in the country; and
- (e) the details of demands raised by MSMEs and met by Government so far, State-wise?

ANSWER

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

(a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) to (e) OF THE LOK SABHA
STARRED QUESTION No. *56 FOR ANSWER ON 04.02.2021.**

(a) & (b): The statement of Sector wise deployment of Gross Bank Credit released by Reserve Bank of India indicates that as on 18th December, 2020, there is marginal decline of 1.5 percent in the credit extended to Micro and Small Sector as compared to 27th March, 2020. The details of credit extended to this sector since December 2018 is given in the table below:

Credit to Micro & Small Sector (Manufacturing & Service Sector)								
(Rs.crore)								
					Variation (Year-on-Year) in %		Variation (Financial Year) in %	
Dec.21, 2018	Mar.29, 2019	Dec.20, 2019	Mar.27, 2020	Dec.18, 2020	Dec.20, 2019 / Dec.21, 2018	Dec.18, 2020 / Dec.20, 2019	Dec.20, 2019 / Mar.29, 2019	Dec.18, 2020 / Mar.27, 2020
1004744	1067175	1061953	1149394	1131858	5.7	6.6	-0.5	-1.5
Source- RBI								

(c): The steps taken by the Government to increase availability of credit to the MSME sector 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 are 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. The performance of the scheme during last three years and the current financial year is given in the table below:

Financial Year	No. of Guarantee	Amount of Guarantee (Rs. in Cr.)
2017-18	263195	19065.90
2018-19	435520	30168.57
2019-20	846650	45851.22
2020-21 (upto on 31.12.2020)	542802	25512.71
Source- CGTMSE		

(d): Reserve Bank of India (RBI), vide circulars dated 27.3.2020 and 23.5.2020 on COVID-19 Regulatory Package, permitted all lending institutions to grant a moratorium of six months on payment of all instalments (including equated monthly instalments, or EMIs) falling due between 1.3.2020 and 31.8.2020, in respect of all term loans outstanding as on 1.3.2020.

(e): Ministry of MSME receives representations from MSME Associations on issues such as availability of credit, capital subsidy etc. Such representations are considered on the basis of merit and administrative feasibility.
