

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. 14
TO BE ANSWERED ON: 29.11.2021

CREDIT GROWTH OF MSMES

*14. SHRI BHASKAR RAO NEKKANTI:

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

- (a) whether Government is aware that as per RBI's data, credit growth of Micro, Small and Medium Enterprises (MSMEs) decelerated to 0.5 percent in March 2021 from 1.7 percent a year ago, if so, the reasons therefor and the action taken by Government thereon;
- (b) whether Government has ensured priority lending to MSMEs from banks by including small enterprises in the earmarked priority sector, if so, the details thereof and, if not, the reasons therefor; and
- (c) whether any collateral-free and MUDRA small loans have been given to encourage self-employment?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

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

**STATEMENT REFERED TO IN REPLY TO PART (A) TO (C) OF THE
RAJYA SABHA STARRED QUESTION NO. * 14 FOR ANSWER ON
29.11.2021**

(a): Information received from RBI on credit flow to MSME sector by Scheduled Commercial Banks indicates that the annual credit growth rate to this sector was 6.8 percent from March 2019 to March 2020 and 10.56 per cent during the period March 2020 to March 2021. The details are given in Annexure.

(b): Guidelines on 'Priority Sector Lending' are issued by Reserve Bank of India (RBI) which mandates banks to achieve a minimum of 40% of Adjusted Net Bank Credit (ANBC) targets for lending to priority sector, which inter-alia, includes agriculture; Micro, Small & Medium Enterprises; housing; education; social infrastructure; renewable energy; etc. Within the 40% target, for Micro Enterprises, there is a specific target of 7.5% of the ANBC or Credit Equivalent of off Balance Sheet Exposure (CEOBE), whichever is higher, as applicable as on the corresponding date of the preceding year.

(c): Pradhan Mantri Mudra Yojana (PMMY) is a programme of the Government of India aimed at funding unfunded micro enterprises and small business. This is under the administrative domain of Ministry of Finance, Department of Financial Services. Under this scheme, institutional credit up to Rs 10 lakh is provided for entrepreneurial activities to micro/small business units by Member Lending Institutions (MLIs) viz. Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions. As per the data uploaded by MLIs on Mudra Portal, as on 29.10.2021 over 31.80 crore loan accounts amounting to Rs 16.78 lakh crore have been sanctioned across the country since inception.

In addition to this, the Government of India is implementing Credit Guarantee Scheme (CGS) to strengthen credit delivery system and facilitate the flow of credit to the MSE sector without the hassles of collateral and third party guarantee. Under the scheme, Credit Guarantee is given to the Member Lending Institutions (MLIs) viz Public Sector Banks, Private Sector Banks, Regional Rural Banks (RRBs), Foreign Bank, Small Finance Banks (SFBs), Financial Institutions, Scheduled Urban Co-operative Banks and Non-Banking Financial Companies (NBFCs) for loans upto Rs. 200 lakh. Under CGS, 55.68 lakh guarantees have been approved with an amount of Rs. 2.87 lakh crore across the country since inception.

Annexure referred to part (a) of the Rajya Sabha Starred Question No. 14 due for answer on 29.11.2021

Priority Sector Lending to MSME Sector									
No of Accounts in Lakh and Amount in Rs. Crore									
Year / Quarter ended	Micro Enterprises		Small Enterprises		Medium Enterprises		Total MSME		Year on Year Growth (%)
	No. of A/cs	Amt. O/s	No. of A/cs	Amt. O/s	No. of A/cs	Amt. O/s	No. of A/cs	Amt. O/s	Amt. O/s
Mar-19	295.05	6,75,200.50	23.03	6,38,030.79	2.60	1,97,419.22	320.68	15,10,650.52	--
Mar-20	353.02	7,46,043.67	27.62	6,67,734.90	3.54	1,99,803.60	384.18	16,13,582.17	6.81
Mar-21	387.93	8,21,027.77	27.82	6,62,998.50	4.44	2,99,898.53	420.19	17,83,924.80	10.56
Source- Reserve Bank of India									