

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1720
TO BE ANSWERED ON 01.08.2022

REGULAR SOURCE OF WORKING CAPITAL FOR MSMEs

1720. SHRI N.R. ELANGO:

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

- (a) whether Government has taken cognizance of the fact that a large number of Micro, Small and Medium Enterprises (MSMEs) often require regular sources of working capital to stay afloat; and
- (b) if so, what initiatives have been taken/being taken by Government keeping in view the fact that the ticket size of the loans they require are normally small, ranging from ₹ 50,000 to ₹ 1 lakh?

ANSWER

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

(a) & (b): To address the regular requirement of working capital including small ticket size loan by Micro, Small and Medium Enterprises (MSMEs) and to stay afloat, the Government has taken a number of initiatives in recent years which inter-alia includes measures such as (i) Collateral free Automatic Loans under Emergency Credit Line Guarantee Scheme (ECLGS) for businesses, including MSMEs. Recently the Union Budget Government has enhanced the amount of collateral free automatic loans under ECLGS by Rs.50,000 crore to Rs. 5 lakh crore. The additional funds are earmarked exclusively for hospitality and related enterprises. The validity period of the scheme has been extended till 31.03.2023; (ii) Rs. 20,000 crore Credit Guarantee Scheme for Subordinate Debt (CGSSD) with extended validity till 31.03.2023; (iii) PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme.

Moreover, MSMEs have also been supported for working capital assistance by the ongoing schemes i.e. (i) Credit Guarantee Scheme (CGS) to strengthen credit delivery system and 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. 200 lakh; (ii) Pradhan Mantri MUDRA Yojana (PMMY) which extends collateral free loans upto Rs.10 lakh to individuals to enable them to set up or expand their business activities.
