

STEPS TAKEN TO ENHANCE AND SIMPLIFY CREDIT FLOW TO MSMEs

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As on 24.07.2024, the total number of MSMEs registered in the country on the Udyam Registration Portal and Udyam Assist Platform is 4.76 crore enterprises.

As per information received from Ministry of Statistics and Programme Implementation, the share of MSME manufacturing output in all India manufacturing output during 2022-23 was 35.4% and the share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP) during 2022-23 was 30.1%.

As per the information from Data Dissemination Portal of Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of export of MSME specified products in all India exports during 2023-24 was 45.73%.

As on 24.07.2024, the total employment reported by the MSMEs on the Udyam Registration Portal and Udyam Assist Platform is 20.55 crore.

As per information received from Reserve Bank of India, the number of accounts and amount outstanding to MSME sector by Scheduled Commercial Banks during 2022-23 was 213.32 lakh and Rs. 22,60,135.3 crore respectively. Further, the Expert Committee on Micro, Small and Medium Enterprises, constituted by Reserve Bank of India in 2019 estimated the credit gap in MSME sector to be in the range of Rs. 20 to 25 lakh crore.

The steps taken by Government to enhance credit flow to MSME are given below:

- i. 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.
- ii. Schedule Commercial Banks (SCBs) have been mandated not to accept collateral security in the case of loans up to ₹10 lakh extended to units in MSE category.
- iii. Computation of working capital requirement 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.
- iv. Collateral free loan up to a limit of Rs. 500 lakh (w.e.f. 01.04.2023) to MSEs with guarantee coverage up to 85% for various categories of loan through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) under Credit Guarantee Scheme.
- v. Under the extent guidelines of Prime Minister's Employment Generation programme (PMEGP), the maximum cost of the project/unit admissible for Margin Money subsidy under Manufacturing and Service sector stands enhanced Rs. 50.00 lakh and Rs. 20.00 lakh respectively.
- vi. Free registration of MSMEs through "Udyam Registration Portal" for Ease of Doing Business.
- vii. Launch of Udyam Assist Platform (UAP) to bring the Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefit under Priority Sector Lending (PSL).
- viii. Launch of 'PM Vishwakarma' Scheme on 17.09.2023 to provide benefits to the artisans and craftspeople engaged in 18 traditional trades, including access to subsidized credit.

This information was given by the Union Minister of Micro, Small and Medium Enterprises Shri Jitan Ram Manjhi in a written reply in the Rajya Sabha today.

MG/PD/VL

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