

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

**UN-STARRED QUESTION NO. 2386
TO BE ANSWERED ON 8th JULY, 2019**

'Collateral Free Loan to MSMEs'

2386 : DR. SUJAY RADHAKRISHNA VIKHE PATIL :

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government proposes to introduce collateral-free loans upto Rs.50 lakhs for Micro, Small and Medium Enterprises (MSMEs);
- (b) if so, the details thereof ;
- (c) whether the Government provides subsidy on interest on the loan to MSMEs for modernisation of their machines ;
- (d) if so, the details thereof; and
- (e) whether the said subsidy is being provided to enterprises/establishments in all areas of the country or limited to the units related to area and products only and if so, the details thereof ?

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (b) : As per the extant guidelines of Reserve Bank of India (RBI), Scheduled Commercial Banks (SCBs) have been mandated to extend collateral-free loans up to Rs.10 lakh to units in the Micro and Small Enterprise (MSE) sector.

In addition, Micro, Small and Medium Enterprises (MSMEs) can avail guarantee under Credit Guarantee Fund Trust for Micro and Small Enterprise (CGTMSE) scheme for loans up to Rs.200 lakh extended to them without furnishing any collateral security.

(c) to (e) : Government operates schemes like Credit Linked Capital Subsidy Scheme (CLCSS), Amended Technology Upgradation Fund Scheme (ATUFS), etc. across the country. These provide capital subsidy on institutional finance availed for upgradation/modernisation of machinery by MSMEs for products/ sectors/segments as specified under the schemes.

On all working capital or term loan (fresh and incremental) to MSME borrowers for loans up to Rs.1 crore, Government has also implemented the 'Interest Subvention Scheme for Micro, Small and Medium Enterprises (MSMEs), 2018' which provides interest subvention calculated at 2% per annum. This includes loans taken for technology upgradation.

Annexure I referred to in reply to Lok Sabha Un-Starred Question no. 1533 for 01.07.2019

Details of funds allocated under Credit Guarantee Scheme

S. No	Scheme	Ministry	Corpus	
			Date of receipt	Amount (in Rs. crore)
1	Credit Guarantee Fund for Skill Development [Committed corpus - Rs.1,000 crore)	Ministry of Skill Development and Entrepreneurship	31-03-2014	490.00
	Total			490.00
2	Credit Guarantee Fund for Educational Loans [Committed corpus - Rs.3,500 crore)	Ministry of Human Resource Development (Department of Higher Education)	04-04-2015	101.09
			01-10-2015	250.00
			01-12-2015	112.50
			02-04-2016	3.27
			22-12-2016	112.50
			14-02-2016	167.36
			28-04-2017	112.50
			01-03-2018	112.30
			02-03-2018	147.50
	Total			1119.02
3	Credit Guarantee Fund for Micro Units [Committed Corpus-Rs.3,000 crore]	Ministry of Finance (Department of Financial Services)	29-03-2016	500.00
			29-08-2016	1500.00
			01-07-2017	500.00
			12-07-2018	300.00
			24-08-2018	200.00
	Total			3000.00
4	Credit Guarantee Fund for Stand Up India [Committed corpus - Rs.5,000 crore]	Ministry of Finance (Department of Financial Services)	05-07-2016	500.00
			02-07-2017	500.00
	Total			1000.00
5	Credit Guarantee Fund for Factoring [Committed corpus - Rs.500 crore]	Ministry of Finance (Department of Financial Services)	31-03-2015	250.00
			31-03-2016	40.00
			02-07-2016	135.00
	Total			425.00

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Annexure II referred to in reply to Lok Sabha Un-Starred Question no. 1533 for 01.07.2019**States/UTs wise details of subsidy provided under Credit Linked capital Subsidy**

Sl. No.	State/UT	2015-16		2016-17		2017-18		2018-19	
		No. of Units	Subsidy (Amt. in Lakh)	No. of Units	Subsidy (Amt. in Lakh)	No. of Units	Subsidy (Amt. in Lakh)	No. of Units	Subsidy (Amt. in Lakh)
1	Andman & Nicobar	0	0.00	0	0.00	0	0.00	0	0.00
2	Andhra Pradesh	38	394.85	40	435.87	46	436.88	203	1851.96
3	Arunachal Pradesh	0	0.00	0	0.00	0	0.00	0	0.00
4	Assam	4	32.57	0	0.00	0	0.00	2	21.85
5	Bihar	4	43.47	1	15.00	6	46.09	7	73.04
6	Chandigarh	14	57.14	4	35.69	3	19.33	18	93.05
7	Chhatisgarh	38	321.92	10	109.76	8	60.12	25	237.04
8	Dadra & Nagar Haveli	8	50.33	19	145.64	14	98.61	47	354.67
9	Daman & Diu	22	126.63	20	134.19	15	114.33	52	439.44
10	Delhi	22	142.73	10	69.45	18	140.54	81	655.34
11	Goa	2	4.27	3	26.03	2	16.43	12	88.39
12	Gujarat	2046	13073.97	1917	12084.00	1870	11937.44	7175	52028.25
13	Haryana	314	2094.76	184	1182.32	215	1453.42	656	4651.78
14	Himachal Pradesh	2	10.62	3	11.40	6	41.14	21	163.06
15	J&K	0	0.00	0	0.00	0	0.00	0	0.00
16	Jharkhand	16	115.32	6	62.84	5	21.10	19	147.67
17	Karnataka	318	1763.80	189	1123.38	179	975.15	580	3280.55
18	Kerala	20	119.59	12	92.27	11	69.08	32	174.81
19	Lakshdweep	0	0.00	0	0.00	0	0.00	0	0.00
20	Madhya Pradesh	31	228.12	20	143.58	25	255.04	93	816.64
21	Maharashtra	976	5869.40	682	4272.04	593	3620.05	2203	13583.10
22	Manipur	0	0.00	0	0.00	0	0.00	0	0.00
23	Meghalaya	0	0.00	0	0.00	0	0.00	0	0.00
24	Mizoram	0	0.00	0	0.00	0	0.00	0	0.00
25	Nagaland	0	0.00	0	0.00	0	0.00	0	0.00
26	Odisha	7	62.44	5	39.89	11	86.84	29	218.84
27	Pudduchery	0	0.00	1	10.23	2	14.97	0	0.00
28	Punjab	447	2534.73	332	1596.30	365	1644.57	1195	6167.12
29	Rajasthan	240	1718.73	195	1405.88	220	1514.72	590	4348.29
30	Sikkim	0	0.00	0	0.00	0	0.00	0	0.00
31	Tamilnadu	228	1460.39	164	969.55	239	1676.07	552	3539.24
32	Telangana	80	722.15	65	587.06	91	735.17	176	1656.61
33	Tripura	0	0.00	0	0.00	1	11.49	0	0.00
34	Uttar Pradesh	129	964.77	103	822.26	109	822.85	271	2216.00
35	Uttarakhand	14	92.94	7	77.61	10	85.48	37	415.37
36	West Bengal	27	237.84	19	200.81	17	157.22	79	821.94
	Total	5047	32243.47	4011	25653.06	4081	26054.16	14155	98044.05
