GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 694
TO BE ANSWERED ON: 17.09.2020

COLLATERAL FREE LOANS FOR MSMEs

694.   MS. DIYA KUMARI:

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

(a)   the number of MSMEs and small companies that have been affected due to COVID-19 and the steps taken/proposed to be taken to help and revive MSMEs and small scale business; and

(b)   whether the Government proposes to extend the scheme for collateral- free loans for MSMEs and if so, the details thereof?

ANSWER

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

(a) & (b): A large number of MSMEs have been affected due to Covid 19 induced disruption. Taking into account their hardships, the Government announced the Atma Nirbhar Package on 13th May 2020, which included various benefits for different sectors including MSMEs. Government of India and Reserve Bank of India have announced a series of measures to infuse liquidity in the Economy in general and MSME sector in particular. These inter-alia include (i) moratorium upto 31st August, 2020, on repayment of installments of term loans/cash credit/over draft (ii) reducing the Cash Reserve Ratio and Repo rate (iii) Special refinance facility of ₹15,000 crore to SIDBI for on-lending/refinancing (iv) Special liquidity scheme for NBFCs, HFCs and MGIS worth ₹30,000 crore (v) Emergency Credit Guarantee Line of ₹ 3 lakh crore for Standard accounts and stressed accounts (SMA-0 and SMA-1) (v) Credit Guarantee Scheme for Subordinate Debt for SMA-2 and NPA accounts for infusing ₹ 20,000 crore in MSME Sector (vi) Credit Guarantee scheme for Street Vendors (PM SVA nidhi) which also involves interest subsidy (vii) partial credit guarantee scheme for the liabilities of NBFCs and MFIs etc.

Under the existing Credit Guarantee Scheme for Micro and Small Enterprises also a collateral free loan up to Rs. 2 crore is given to eligible borrowers.

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