

Over 70% MSMEs use biz loans for immediate financial needs: Study

AATHIRA VARIER

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Over 70 per cent of micro, small, and medium enterprises (MSMEs) and self-employed consumers are seeking business loans to meet immediate financial needs, according to an analysis by Paisabazaar released on Thursday.

“Over 70 per cent MSMEs and self-employed consumers needed a business loan to meet immediate financial needs like working capital expenses, purchasing

raw materials, consolidating debt etc,” the company’s analysis showed.

Less than 30 per cent of these businesses applied for loans based on future growth prospects, and initiatives like marketing and brand building, upgrading machinery, or acquiring additional office space for expansion.

Geographically, the demand for business loans is largely concentrated in top metro cities, led by Delhi-

NCR and Mumbai. The top seven metros, including Delhi-NCR, Mumbai, Hyderabad, Bengaluru,

Kolkata, Chennai, and Pune, account for 53 per cent of loan applications.

The remaining 47 per cent of applications came

from non-metro regions, with Jaipur and Surat emerging as key contributors.

The study was conducted from January to October 2024, with about 8 million respondents taking part.

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