

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1856
TO BE ANSWERED ON 17.03.2025

INSTANT LOAN SCHEME

1856 DR. ASHOK KUMAR MITTAL:

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

- (a) whether potential impact of instant loan schemes based on GST returns on improving credit accessibility for MSMEs has been assessed, if so, the details thereof;
- (b) measures that are being undertaken to promote and expand similar credit models across other financial institutions to address liquidity challenges faced by MSMEs;
- (c) whether Government is collaborating with banks and other stakeholders to ensure that such schemes are tailored to specific financial needs of MSMEs that may not have consistent GST filing records; and
- (d) safeguards that are being implemented to prevent misuse or over-leveraging of such instant loan schemes while ensuring genuine MSMEs benefit from initiatives?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

- (a): As informed by SIDBI, with a view to provide cash flow based financing to MSMEs for working capital needs, SIDBI, Online PSB Loans Ltd (OPL) and iSPIRT developed GST Sahay. The instant loan schemes based on GST returns have the potential to significantly improve credit accessibility for MSMEs, leading to positive impact including increased Credit access, simplified loan process and reduced collateral requirements.
- (b): As announced in the Budget 2024-25 Public sector banks (PSBs) have to build their in-house capability to assess MSMEs for credit, instead of relying on external assessment. As informed by DFS, the internal credit assessment model has been developed and implemented by Public Sector Banks.
- (c): The Government of India collaborates with all stakeholders, including banks to ensure that such schemes are tailored to specific financial needs of MSMEs that may not have consistent GST filing records. Under Credit Guarantee Scheme of the Ministry of MSME, a special initiative for Micro Enterprises, exempt from GST regime and registered on Udyam Assist Platform has been launched in which loans upto Rs 20 Lakh are guaranteed, without any Primary Security are provided. Further, Schemes like Pradhan Mantri Mudra Yojana, PM Vishwakarma Yojana cater to the specific financial needs of entrepreneurs that may have no GST filing.
- (d): The Public Sector Banks implement a number of safeguards to prevent misuse like extending the schemes to MSME borrowers registered on Udyam Portal, cross verification with Government data bases GSTR, ITR etc. and due diligence with respect to KYC and CIC reports. In the GST Sahay app, safeguards being used to prevent misuse or over leveraging of instant loan schemes to genuine MSMEs include GST data being pulled directly from source to validate genuineness of sales and purchase transactions of MSMEs.
