

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UN-STARRED QUESTION NO. 1846

TO BE ANSWERED ON 29th DECEMBER, 2017 / PAUSHA 08, 1939 (SAKA)

‘Credit to MSMEs’

1846: ADV. NARENDRA KESHAV SAWAIKAR :

Will the Minister of FINANCE be pleased to state :

- (a) whether the credit to micro and small enterprises is declining;
- (b) if so, the details thereof during the last three years;
- (c) whether the declining credit has adversely affected the Micro, Small and Medium Enterprises (MSMEs); and
- (d) if so, the steps taken / proposed to be taken by the Government to improve the situation ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) and (b) :

Outstanding credit of Scheduled Commercial Banks (SCBs) to micro and small enterprises (MSEs) as on 31st March is as under :

(Amount Rs. in crore)

Financial Year	Outstanding Credit
2014-15	9,61,174.17
2015-16	9,96,424.94
2016-17	10,70,129.48

Source : RBI.

There was thus an increase of 3.67% in outstanding credit to MSEs in 2015-16 and of 7.40% in 2016-17 over the corresponding previous year.

- (c) : Outstanding credit of Scheduled Commercial Banks(SCBs) to Micro, Small and Medium Enterprises (MSMEs) as on 31st March is as under :

(Amount Rs. in crore)

Financial Year	Sector		Total of MSME Sector
	Micro & Small	Medium	
2014-15	9,61,174.17	2,09,851.88	11,71,026.05
2015-16	9,96,424.94	2,19,582.17	12,16,007.11
2016-17	10,70,129.48	2,26,269.34	12,96,398.82

Source : RBI.

There was thus an increase of 3.84% in outstanding credit to MSMEs in 2015-16 and of 6.61% in 2016-17 over the corresponding previous year.

- (d) Government and Reserve Bank of India have taken several steps to facilitate easy loans to MSMEs, which inter-alia include, advise to all Scheduled Commercial Banks (SCBs) to achieve a 20% year-on-year growth in credit to Micro and Small Enterprises (MSEs), allocation of 60% of the MSEs advances to the micro enterprise accounts, a 10% annual growth in number of micro enterprise accounts, adoption of one cluster, operationalising at least one specialised MSME Branch in every district etc. In addition, a target of 7.5% of Adjusted Net Bank Credit (ANBC) has been prescribed for Micro Enterprises. SCBs have been mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector and computation of working capital requirements of MSE units has been simplified to make it minimum 20% of the projected annual turnover of the unit.
