

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UN-STARRED QUESTION NO. 4687**  
**TO BE ANSWERED ON 23<sup>rd</sup> MARCH, 2018 / CHAITRA 2, 1940 (SAKA)**

**‘Credit Limit for Small Traders’**

**4687 : SHRIMATI RANJANBEN BHATT :**

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government proposes to double the credit limit for small traders;
- (b) if so, the details thereof and the steps taken by the Government in this regard;  
and
- (c) if not, the reasons therefor ?

ANSWER

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

(a) to (c) :

Credit limit for small traders is determined by banks as per their own Board approved policy and extant guidelines of Reserve Bank of India (RBI).

Government and RBI have taken several steps to facilitate provision of hassle free loans to Micro, Small and Medium Enterprises (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, additional working capital limit to meet the requirements arising due to unforeseen/ seasonal increase in demand, adoption of one cluster, operationalising at least one specialised MSME Branch in every district etc. Computation of working capital requirements of MSE units has been simplified to make it minimum 20% of the projected annual turnover of the unit for borrowal limits upto Rs.5 crore.

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