

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UN-STARRED QUESTION NO. 1844
TO BE ANSWERED ON 21st DECEMBER, 2018 / AGRAHAYANA 30, 1940 (SAKA)

'Credit Access to MSMEs'

1844 : Shri Gaurav Gogoi :

Will the Minister of FINANCE be pleased to state :

- (a) whether after the introduction of preferential lending requirements for banks towards Micro, Small and Medium Enterprises (MSMEs) there has been any improvement in access to credit for MSMEs;
- (b) if so, the details regarding access of MSMEs to credit in the past two financial years ; and
- (c) whether the Government proposes any other measures, other than preferential lending requirements, to help to promote MSMEs and ease bottlenecks in their access to credit and if so, the details thereof ?

ANSWER

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

- (a) : Subsequent to the revision of Priority Sector Lending (PSL) guidelines in April 2015 by Reserve Bank of India (RBI), credit to Micro, Small and Medium Enterprises (MSMEs) from Scheduled Commercial Banks (SCBs) has increased, as indicated below :

(Amount Rs. in crore)

Financial Year (as on 31 st March)	Outstanding credit
2014-15	11,71,026.05
2017-18	13,24,239.35

Source : RBI.

- b) : Outstanding credit of SCBs and Non-Banking Financial Companies (NBFCs) to MSMEs in the last two years is as under :

(Amount Rs. in crore)

Financial Year (as on 31 st March)	Outstanding credit
2016-17	14,14,792.26
2017-18	14,64,931.15

Source : RBI.

- (c) : Government and RBI have taken several steps to ensure access of credit to MSMEs, which inter-alia, include, advice 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, simplified computation of working capital of MSE units to make it minimum 20% of the projected annual turnover of the unit for borrowal limits upto Rs.5 crore, setting up of Trade Receivables Discounting System (TReDS) to solve the problem of delayed payment of MSMEs, etc.