

LOK SABHA
UN-STARRED QUESTION NO. 4002
TO BE ANSWERED ON 4th JANUARY, 2019 / PAUSHA 14, 1940 (SAKA)

'Relaxing Lending Norms to MSMEs'

4002 : Shri N.K. Premachandran :

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government proposes to introduce new loan scheme for Micro, Small and Medium Enterprises (MSMEs), if so, the details thereof;
- (b) the criteria fixed by the Government for relaxing the existing terms and conditions of the banks for sanctioning loans;
- (c) whether the Government has noted that the banks are not providing any relaxation from their earlier criteria for sanctioning loans to the MSMEs, if so, the details thereof and the action taken thereon;
- (d) whether the Government has directed the Reserve Bank of India to release more fund for availing loans by MSMEs and if so, the details of amount released and earmarked for this purpose along with the details of loan sanctioned to MSMEs during the last four years, State/UT-wise ?

ANSWER

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

- (a) : An online lending portal www.psbloansin59minutes.com with majority ownership of 6 Public Sector Banks (PSBs)/ Financial Institutions (FIs) along with their associated companies, has been launched which facilitates in principle approval for loans to Micro Small and Medium Enterprises (MSMEs) upto Rs.1 crore within 59 minutes from PSBs. Key features of the portal, inter-alia include enabling borrowers to connect with multiple banks without visiting the branch, financial technology (FinTech) based architecture with high level of information security, analysis of data from various data points, loan products in line with scoring models and assessment methods within approved credit policies, prima facie eligibility check for credit guarantee from CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises), etc.
- (b) : Government and Reserve Bank of India (RBI) have taken several steps to ensure access of credit to MSMEs. These 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.
- (c) & (d) : Loans to MSMEs are extended by individual banks on commercial basis as per their Board approved loan policy and extant RBI guidelines in this regard. State/UT-wise details of loan extended to MSMEs by Scheduled Commercial Banks (SCBs) during the last four years is at Annexure.

Annexure referred in reply to part (d) of the Lok Sabha USQ No. 4002

State/UT-wise details of credit disbursement to MSMEs by SCBs for last four years.
(Amount disbursed in Rs. in crore)

Sr. No.	State	2014-15	2015-16	2016-17	2017-18
1	Andaman & Nicobar Islands	148.49	491.53	313.91	380.75
2	Andhra Pradesh	52659.90	31618.29	26746.64	32541.55
3	Arunachal Pradesh	1435.83	289.15	206.31	290.88
4	Assam	12116.65	7470.80	7339.13	10571.60
5	Bihar	7587.23	11491.05	11330.07	15000.12
6	Chandigarh	4759.42	4913.01	4123.90	4920.99
7	Chhattisgarh	10519.37	10685.87	11553.58	12385.87
8	Dadar & Nagar Haveli	158.84	192.60	292.14	386.21
9	Daman & Diu	181.65	125.58	166.05	206.08
10	Delhi	85598.18	78148.12	67695.51	79935.47
11	Goa	1910.73	2577.69	2503.47	3116.52
12	Gujarat	51456.04	55333.58	55244.83	60645.63
13	Haryana	20379.07	26975.96	25348.68	29622.03
14	Himachal Pradesh	3983.16	4767.94	3813.59	5206.56
15	Jammu & Kashmir	6609.38	8714.81	5673.54	7010.46
16	Jharkhand	6036.79	10704.09	8192.32	11339.87
17	Karnataka	56031.06	51447.68	47820.66	47001.61
18	Kerala	26405.88	28420.75	29034.07	32890.48
19	Lakshadweep	65.76	15.49	15.02	119.14
20	Madhya Pradesh	20309.60	25948.31	24767.89	31500.76
21	Maharashtra	151115.94	208550.24	168356.38	170685.99
22	Manipur	8701.26	289.46	222.13	387.23
23	Meghalaya	1100.63	623.24	454.95	527.99
24	Mizoram	2071.57	338.13	206.91	596.74
25	Nagaland	3309.44	345.68	279.39	1106.61
26	Odisha	10554.91	12940.71	12962.48	15383.83
27	Puducherry	1210.28	1438.52	2905.21	2123.50
28	Punjab	34677.59	27885.02	23609.55	32398.47
29	Rajasthan	25097.37	33036.33	34274.80	43190.06
30	Sikkim	127.62	781.69	321.66	275.76
31	Tamil Nadu	79255.70	94990.12	85829.51	88884.52
32	Telegana	0.00	30636.69	32145.47	40651.18
33	Tripura	589.80	1371.31	1320.01	1629.23
34	Uttarakhand	9515.43	11338.27	6252.88	19544.70
35	Uttar Pradesh	39677.55	44298.63	43342.88	45340.62
36	West Bengal	40269.54	47350.94	44561.71	58489.28
	Total	775627.66	876547.26	789227.21	906288.29

Source : RBI
