

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

UNSTARRED QUESTION NO. 864

TO BE ANSWERED ON THE 14<sup>TH</sup> DECEMBER 2018/ AGRAHAYAN 3, 1940 (SAKA)  
Loan Disbursal by PSBs

864. SHRI KAUSHAL KISHORE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken cognizance that the various loan services like education loan, personal loans etc. by the Public Sector Banks (PSBs) are perceived to be very cumbersome, slow and time consuming as compared to the private sector banks, and
- (b) if so, the details thereof along with the list of steps taken by the Government to improve the system of loan disbursement in PSBs?

ANSWER

Minister of State in the Ministry of Finance  
(SHRI SHIV PRATAP SHUKLA)

(a): Comparable data in this regard is not available.

(b): A number of steps have been taken to improve the system of loan services in PSBs, which include, *inter alia*, the following:

- (1) Vidya Lakshmi, a common web-based portal ([www.vidyalakshmi.co.in](http://www.vidyalakshmi.co.in)), has been launched to facilitate education loans application to banks on an anytime, anywhere basis, on which PSBs account for 93% of all applications received till 6.12.2018.
- (2) Overdraft facility for Prime Minister Jan Dhan Yojana (PMJDY) account holders of an amount up to Rs. 10,000 has been provided upon satisfactory operation of the account for six months, in which PSBs account for over 80% of the accounts opened till 5.12.2018.
- (3) Pradhan Mantri MUDRA Yojana has been launched for providing loans up to Rs. 10 lakh to non-corporate, non-farm small and micro enterprises in which PSBs along with Regional Rural Banks (RRBs) sponsored by them account for over 64% of the loan amounts sanctioned by Scheduled Commercial Banks (SCBs) till 7.12.2018.
- (4) Stand Up India scheme has been launched to extend institutional credit system for loans between Rs. 10 lakh and Rs. 1 crore to underserved strata of society like the Scheduled Castes and the Scheduled Tribes, and women entrepreneurs.

(5) RuPayKisan CreditCard (KCC), a smart card cum debit card has been introduced to meet the production credit requirements of farmers in a timely and hassle-free manner, and PSBs along with Regional Rural Banks (RRBs) sponsored by them account for over 96% (25.47 crore RuPayKCC) of all RuPayKCC issued by SCBs till 5.12.2018.

(6) Under the PSB Reforms Agenda adopted by the Boards of PSBs, banks have committed to, *inter alia*, the following:

(i) Enabling online application facility for home, education, vehicle and other personal loans, as well as for MSME loans, with features such as automated processing for time-bound decision-making and transparent status-tracking

(ii) Digitalisation of non-retail credit appraisal process on end-to-end basis for speedy disposal of applications

(iv) Enabling of MSME financing through cluster-based financing and use of fintech

(v) Registration of the bank on the Trade Receivable Electronic Discounting System (TReDS) platform for faster discounting of bills of MSMEs

(vi) Proactive reach-out to borrowers

(vii) Institution of efficient practices for effective coordination in large consortium loans through observance of a minimum threshold of 10% for participation and adoption of Standard Operating Procedures

(viii) Board-approved policy for enhanced working capital to GST-registered MSMEs

(7) In-principle approval for MSME loans up to Rs. 1 crore within 59 minutes by PSBs through the 59 minutes portal ([www.psbloansin59minutes.com](http://www.psbloansin59minutes.com))

\*\*\*