

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

UNSTARRED QUESTION NO. 391

TO BE ANSWERED ON THE 24TH JUNE 2019/ASHADHA 3, 1941(SAKA)

Banking Services

391. SHRI KAUSHAL KISHORE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the various loan services like education loan, personal loan etc., by the public sector banks are perceived to be very cumbersome, slow and time consuming as compared to the various private sector banks;
- (b) if so, the details thereof; and
- (c) the corrective steps taken by the Government to improve the system of loan disbursement in public sector banks?

ANSWER

The Finance Minister

(SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): Public Sector Banks (PSBs) lead in the delivery of loan service in many respects. PSBs have taken the initiative for hassle-free and expeditious in principle approval for loans to MSMEs in contactless digital mode through the *psbloansin59minutes.com* platform which private sector banks have subsequently on-boarded. PSBs also lead in lending in several loan categories, such as loans for education and for priority sector agriculture and allied activities, in which PSBs account for 96% (as on 30.9.2018, as per RBI data) and 76% (as on 31.3.2019, as per RBI data) respectively of lending by Scheduled Commercial Banks. Further, PSBs have led in extending credit through the overdraft facility available under Pradhan Mantri Jan Dhan Yojana to account holders having satisfactory conduct of account, accounting for over 99.8% (including through Regional Rural Banks, which are sponsored by PSBs) of the total overdraft amount availed of as on 14.6.2019. In addition all PSBs have on-boarded the Trade Receivable electronic Discounting System (TReDs) platform, enabling online discounting of trade receivables by MSMEs for faster realisation against the receivables.
