

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**STARRED QUESTION NO.196\***

ANSWERED ON 02.12.2019/ AGRAHAYANA, 11 1941 (Saka)

**MUDRA Loans**

\*196. Shrimati Kavita Singh:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has fixed a target to provide loan to 30 crore entrepreneurs/small artisans and small businessmen under the Pradhan Mantri Mudra Yojana during the current financial year;
- (b) if so, the details thereof along with the directions given by the Government to the public sector banks to achieve the said target;
- (c) whether the banks reject a large number of applications by pointing out shortcomings in the process and avoid giving loans under the said yojana;
- (d) if so, the details thereof including the loan applications received in the public sector banks and the number of persons provided loans in Siwan district of Bihar during the last financial year; and
- (e) the reasons for not giving loans to others?

ANSWER  
FINANCE MINISTER  
**(SMT NIRMALA SITHARAMAN)**

(a) to (e) : A Statement is laid on the Table of the House.

**STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO. \*196 FOR ANSWER ON 2<sup>ND</sup> DECEMBER, 2019, TABLED BY SHRIMATI KAVITA SINGH REGARDING MUDRA LOANS.**

(a) to (b) No, Sir. Government allocates annual targets regarding the amount to be sanctioned under Pradhan Mantri Mudra Yojana (PMMY) to Member Lending Institutions (MLIs) *i.e.* Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Non Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs). For the current financial year (FY), a target of sanction of Rs. 3.25 lakh crore has been fixed for MLIs. The national level targets under the PMMY scheme have been consistently met since inception of the scheme.

For the current FY, a target of Rs. 1.29 lakh crore has been fixed for Public Sector Banks (PSBs) within the overall target fixed for MLIs. Progress in achievement of targets is reviewed periodically with PSBs.

(c) to (e) Over 1.37 lakh loans involving a sanctioned amount of Rs. 609.97 crore have been extended by MLIs in Siwan district of Bihar in Financial Year (FY) 2018-19. Details of loan applications received by various MLIs are not maintained centrally. Loans under the scheme are extended by MLIs as per commercial parameters and are based, *inter-alia*, on viability of project and on assessment of repayment capacity of the borrower, their Board-approved policy and extant Reserve Bank of India (RBI) guidelines in this regard. Any complaints received in respect of implementation of PMMY including turning down of loan applications are redressed in coordination with the respective banks. Reasons for rejection of loan applications may include, *inter-alia*, non-viability of the project, inconsistencies found in pre-sanction stage, unsatisfactory credit history of the borrower etc.

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