

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UN-STARRED QUESTION NO. 1266

TO BE ANSWERED ON 25th November, 2019 / AGRAHAYANA 04, 1941 (SAKA)

'Quick MSME Loans'

1266 : SHRI HEMANT TUKARAM GODSE:

Will the Minister of FINANCE be pleased to state:

- (a) the number of applications received, accepted and loans given under the new 59minutes Micro, Small and Medium Enterprise (MSME) loan scheme across the country, bank-wise;
- (b) whether any other initiatives have been taken to ensure effective credit to MSMEs; and
- (c) if so, the details thereof and the steps taken by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

- (a) : As on 31.10.2019, out of 2, 39,828 loan applications received, 1,90,543 applications have been accorded in-principle approval and 1,60,885 applications have been finally sanctioned using *psbloansin59minutes* portal. Bank-wise details are given in **Annexure**.
- (b) & (c) Apart from the *psbloansin59minutes* portal, a number of steps have been taken to enable effective credit to Micro Small and Medium Enterprises (MSMEs), which, *inter-alia*, include the following:
 - (i) 2% interest subvention for MSMEs for loans up to Rs. 1 crore for the financial years 2018-19 (w.e.f. 02.11.2018) and 2019-20.
 - (ii) Reserve Bank of India (RBI) has issued framework for Revival and Rehabilitation of MSMEs having loan limits up to Rs. 25 crore on 17.03.2016.
 - (iii) RBI has permitted one-time restructuring of existing loans to stressed MSME units which are classified as 'standard' without a downgrade in asset classification *vide* circular dated 01.01.2019.
 - (iv) Collateral free loans up to Rs 10 lakh for units in the Micro and Small Enterprise (MSE) Sector.
 - (v) MSME loans, including service sector MSMEs, classified as Priority Sector Lending.

- (vi) Implementation of Trade Receivables Discounting System (TReDS) to resolve the problem of delayed payments to MSMEs and classification of factoring transactions as Priority Sector Lending.
- (vii) Target of 7.5 percent of Adjusted Net Bank Credit (ANBC), or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, fixed for Scheduled Commercial Banks (SCBs) for lending to Micro Enterprises.
- (viii) Calculation of working capital requirement up to Rs. 5 crore of MSEs simplified by defining it as 20% of projected annual turnover.
- (ix) Banks advised to mandatorily acknowledge MSME loan applications and put in place system for their on-line tracking.
- (x) RBI has advised banks to streamline flow of credit to MSEs for facilitating timely and adequate credit flow during their 'Life Cycle'.

**Bank-wise details of application received, accepted and loans extended on
psbloansin59minutes portal as on 31.10.2019**

S.No.	Name of the Bank	No. of Application Received	No. of Applications accorded in-principle approval	No. of Applications sanctioned
1	Allahabad Bank	5755	5171	4856
2	Andhra Bank	2678	2080	1467
3	Bank of Maharashtra	2704	2210	1109
4	Bank of Baroda	45291	29062	24395
5	Bank of India	20984	17424	14893
6	Canara Bank	13717	9958	8699
7	Central Bank	10116	8371	7551
8	Corporation Bank	8581	8188	7710
9	IDBI	4583	2875	2440
10	IDFC First Bank	181	160	8
11	Indian Bank	4172	3316	2153
12	Indian Overseas Bank	3214	2822	1766
13	Kotak Bank	136	38	0
14	Oriental Bank of Commerce	11233	10280	7977
15	Punjab National Bank	16464	14195	11080
16	Punjab & Sind Bank	3503	3112	2588
17	Saraswat Bank	82	81	6
18	State Bank of India	50571	41085	36767
19	SIDBI	1166	432	161
20	Syndicate Bank	1908	1547	1026
21	UCO Bank	3406	3107	2191
22	Union Bank Of India	24662	20606	17996
23	United Bank of India	3044	2796	2419
24	Vijaya Bank	1677	1627	1627
	Total	239828	190543	160885

Source: Online PSB Loans Limited