GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1682
TO BE ANSWERED ON 05.12.2024

MSME CREDIT ASSESSMENT MODEL

1682.   SHRI VIJAYAKUMAR *ALIAS* VIJAY VASANTH:
SHRI MANICKAM TAGORE B:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a)   the key objectives of the new Micro, Small and Medium Enterprises (MSMEs) credit assessment model based on digital footprints, and the manner in which it is expected to improve access to credit for MSMEs;

(b)   the timeline for the implementation of this model and the major milestones leading up to its launch by March end next year;

(c)   the manner in which the new model would ensure the privacy and security of the digital data used in credit assessments and the measures in place to comply with data protection regulations;

(d)   the training and support that would be provided to public sector banks to ensure effective adoption and utilization of the new credit assessment model; and

(e)   the mechanisms in place for proper monitoring and evaluation of the effectiveness of the model, and the manner in which its impact on MSME credit access be assessed?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) to (e):   As per Union Budget 2024-25, Public Sector Banks will build their in-house capability to assess Micro, Small and Medium Enterprises (MSMEs) for credit, instead of relying on external assessment and will take a lead in developing or getting developed a new credit assessment model, based on the scoring of digital footprints of MSMEs in the economy.

As informed by the Department of Financial Services (DFS), Public Sector Banks have started processing for implementing the Budget announcement. DFS has also informed that the digital data is proposed to be fetched largely from portals namely Goods and Services Tax Network, National Securities Depository Limited and Income Tax Return data using secured Application Programming Interfaces ensuring the privacy and security of the digital data.

*****