

LOK SABHA
UNSTARRED QUESTION NO.2273
ANSWERED ON THE MONDAY, DECEMBER 09, 2024/18 AGRAHAYANA, 1946 (SAKA)

Banking Penetration and Financial Inclusion

2273. SMT. D K ARUNA:

SHRI EATALA RAJENDER:

Will the MINISTER OF FINANCE be pleased to state:

- (a) whether the Government has urged Regional Rural Banks (RRBs) and sponsor banks to develop suitable products aligning with MSME clusters as part of the National MSME Cluster Outreach Programme to further raise banking penetration and financial inclusion across the country;
- (b) whether the Government has held review meetings with chairpersons of RRBs and CEOs of sponsor banks, if so, the outcome thereof;
- (c) whether the Government proposes to emphasise active outreach by the RRB branches located in MSME clusters to ensure credit to small and micro-enterprise in various areas such as textile, wooden furniture, leather, etc.; and
- (d) if so, the details and the present status thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHOUDHARY)

(a) to (d) Government has been continuously reviewing the progress of Regional Rural Banks (RRBs) at national level as well as regional level with the Chairpersons of RRBs, respective Sponsor Banks, National Bank for Agriculture and Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI).

One of the focus areas of these reviews is business diversification by increasing lending to MSME sector. Most of the RRBs have devised their innovative MSME products and have mapped their branches with specific MSME clusters to increase their penetration in MSME sector. RRBs have witnessed a healthy growth rate of 18.6% during FY 2022-23 and 17.0% during FY 2023-24 under its MSME portfolio. During the FY 2023-24, RRBs have achieved highest ever consolidated net profit of ₹7,571 crore.

In order to further strengthen the MSME outreach of RRBs, SIDBI is handholding RRBs by developing MSME loan underwriting platform, refinancing, skill development and capacity building of staff of RRBs, for MSME credit expansion.