

**Statement-II**

*Details of growth of India's Gross Domestic Produce (GDP) and of the gross advances of Scheduled Commercial Banks in their global operations*

Financial year	Growth in gross advances (year-on-year)	GDP Growth
2014-15	9.7%	7.4%
2015-16	8.7%	8.0% *
2016-17	4.5%	8.2% #
2017-18	10.5%	7.2% @
2018-19	13.3%	6.8% \$

*Source:* RBI (growth in gross advances of SCBs) and Ministry of Statistics and Programme Implementation (GDP)

\* Third revised estimates.

# Second revised estimates.

@ First revised estimates.

\$ Provisional estimates.

**Measures to boost MSME sector's credit growth**

2463. SHRI RAJKUMAR DHOOT:

SHRI AHMED PATEL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that despite rate cuts and Government's push by providing various incentives, the MSME sector's credit growth is continuously sliding;

(b) if so, the details thereof and reasons behind this slide; and

(c) the remedial measures Government has taken or proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per data reported by Reserve Bank of India (RBI), the outstanding credit of Scheduled Commercial Banks (SCBs) to Micro, Small and Medium Enterprises (MSMEs) has increased from ₹ 12.96 lakh crore as of March, 2017 to ₹ 13.24 lakh crore as of March, 2018, and further to ₹15.11 lakh crore as

of March, 2019, reflecting a year-on-year growth of 14.08% in financial year (FY) 2018-19 over FY 2017-18.

Several steps have been taken to ensure access of credit to MSMEs, which, *inter-alia*, include the following:—

- (i) Launch of *psbloansin59minutes.com* online portal for grant of in-principle approval for loans to MSMEs upto ₹ 5 crores.
- (ii) 2% interest subvention for MSMEs for loans up to ₹ 1 crore for the financial years 2018-19 (w.e.f. 02.11.2018) and 2019-20.
- (iii) Reserve Bank of India (RBI) has issued framework for Revival and Rehabilitation of MSMEs having loan limits up to ₹ 25 crore on 17.03.2016.
- (iv) 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.
- (v) Collateral free loans up to ₹ 10 lakh for units in the Micro and Small Enterprise (MSE) Sector.
- (vi) MSME loans, including service sector MSMEs, classified as Priority Sector Lending (PSL).
- (vii) Implementation of Trade Receivables Discounting System (TReDS) to resolve the problem of delayed payments to MSMEs and classification of factoring transactions as PSL.
- (viii) Target of 7.5 per cent of Adjusted Net Bank Credit (ANBC), or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, fixed for SCBs for lending to Micro Enterprises.
- (ix) Calculation of working capital requirement up to ₹ 5 crore of MSEs simplified by defining it as 20% of projected annual turnover.
- (x) Banks advised to put in place system for acknowledging MSME loan applications and enabling their on-line tracking.

- (xi) RBI has advised banks to streamline flow of credit to MSEs for facilitating timely and adequate credit flow during their 'Life Cycle'.
- (xii) A Customer Support and Outreach initiative was conducted by Public Sector Banks (PSBs) in October and November, 2019 during which loans of ₹ 37,210 crore in October, 2019 and ₹ 35,775 crore in November, 2019 have been disbursed to MSMEs.

#### **Withdrawal of custom duty on newsprint**

2464. DR. T. SUBBARAMI REDDY:

SHRI VAIKO:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Indian Newspaper Society urged Government to withdraw 10 per cent custom duty imposed on newsprint and uncoated paper for printing newspapers;
- (b) if so, the response of Government thereto; and
- (c) whether Government would extend concessions to the media and newspaper industry, in view of their vital role in democracy and service to the people?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) Certain representations have been received from Indian Newspaper Society to withdraw 10 per cent BCD on newsprint and uncoated paper used in printing newspaper.

(b) and (c) At present, there is no proposal to withdraw 10 per cent BCD on these goods.

#### **Abolition of GST on bicycles**

†2465. SHRI VISHAMBHAR PRASAD NISHAD: Will the Minister of FINANCE be pleased to state:

- (a) the percentage of GST being levied on an ordinary bicycle being used by a slippers-wearing common man;

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†Original notice of the question was received in Hindi.