

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

UN-STARRED QUESTION NO. 209

ANSWERED ON 5th DECEMBER, 2023/ 14 AGRAHAYANA, 1945 (SAKA)

‘Public Sector Bank loans in 59 minutes’

209: Shri Masthan Rao Beeda:

Will the Minister of *FINANCE* be pleased to state:

- (a) the details of the Public Sector Bank loans in 59 minutes scheme;
- (b) the features of the same;
- (c) the total amount of credit disbursed under the same; and
- (d) the details of other such measures being taken to enhance access of credit to the MSMEs?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (c): As informed by Small Industries Development Bank of India (SIDBI), Psbloansin59minutes is a digital lending portal which has been developed with the objective of providing loans to Micro Small and Medium Enterprises (MSMEs), Mudra and Retail segment. So far banks have sanctioned Rs. 89,834 crore in respect of loan applications processed through this platform, of which Rs. 71,673 crore has been disbursed.

(d) Apart from the psbloanin59minutes portal, a number of steps have been taken to enhance access of credit to MSMEs, which, include *inter alia* the following:

- (i) 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) by RBI for lending to Micro Enterprises, under priority sector lending norms.

- (ii) New revised criteria for classification of MSMEs based on both investment size and turnover.
- (iii) 'Udyam Registration' for MSMEs, for ease of doing business.
- (iv) Inclusion of Retail and Wholesale Traders as MSMEs w.e.f. 2.7.2021.
- (v) Pradhan Mantri Mudra Yojana (PMMY) scheme launched in April, 2015 to provide collateral free access to institutional finance to unfunded Micro/Small business units with collateral free loans up to Rs10 lakh.
- (vi) In the wake of Covid-19 pandemic, Emergency Credit Line Guarantee Scheme (ECLGS) launched in May, 2020 and valid till 31.3.2023 to support eligible MSMEs and business enterprises in meeting their operational liabilities and restarting their businesses. Guarantees amounting to Rs. 3.68 lakh crore were issued under the scheme benefitting 1.19 crore borrowers with approx. 95% share of MSMEs borrowers.
- (vii) Calculation of working capital requirement up to Rs. 5 crore to Micro & Small Enterprises (MSEs) simplified by defining it as 20% of projected annual turnover.
- (viii) RBI has advised banks to streamline flow of Credit to MSEs for facilitating timely and adequate credit flow during their 'Life cycle'.
- (ix) Trade receivables Discounting System (TReDS) has been operationalized to address the problem of delayed payments to MSMEs through discounting of invoice.
- (x) For better transmission of monetary policy, RBI has advised banks to link all new floating rate loans to external benchmark for MSEs from 01.10.2019 and Medium enterprises from 01.04.2020.
- (xi) Special restructuring window was put in place for MSMEs, through:
 - (a) Resolution Framework I, announced in August, 2020 which permitted implementation of restructuring till March, 2021; and
 - (b) Resolution Framework II announced in May, 2021 which permitted invocation of restructuring till 30th September, 2021 to be completed within a period of 90 days.
- (xii) Banks are permitted by RBI to co-lend with all registered Non-Banking Finance Companies (including Housing Finance Companies) in order to improve credit flow to MSMEs.
- (xiii) Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) operates the Credit Guarantee Scheme for MSEs in respect of credit facilities extended by its Member Lending Institutions, which are not backed / partially backed by collateral security/third-party guarantees. The maximum limit of guarantee under the scheme is Rs. 5 crore.
