

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UN-STARRED QUESTION NO. 1375

ANSWERED ON TUESDAY, 11TH MARCH, 2025/ 20 PHALGUNA 1946 (SAKA)

CREDIT ACCESS TO MSMES AND STRENGTHENING SIDBI

1375 SHRI MASTHAN RAO YADAV BEEDHA

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

- (a) whether Government intends to expand the outlay for SIDBI in order to expand its loan portfolio in Andhra Pradesh;
- (b) if so, by how much;
- (c) whether Government is considering disbursing loans on the basis of cash flow and actual revenue generation capacity vis-a-vis collateral lending for MSMEs in Andhra Pradesh;
- (d) whether Government intends to make SIDBI the nodal agency for Udyam value-added financial applications; and
- (e) whether Government intends to launch a 'Vyapar Credit Card' for MSME owners on the lines of Kisan Credit Card?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (b): The Government of India has been consistently backing Small Industries Development Bank of India (SIDBI) in raising resources/ increasing outlay for assistance to Micro, Small and Medium Enterprises (MSMEs) which, *inter alia*, includes Reserve Bank of India's allocation of shortfall in priority sector lending from commercial banks, extending guarantees for foreign currency loans sourced from bilateral and multilateral agencies, and converting outstanding Tier I capital bonds into equity capital.

Further, SIDBI has a total of seven (7) branches operational in the State of Andhra Pradesh *viz.* Visakhapatnam, Vijayawada, Tirupati, Nellore, Machilipatnam, Rajamahendravaram and Kakinada.

(c) Public Sector Banks (PSBs) have developed a New Credit Assessment Model based on the scoring of digital footprints of MSMEs. This credit assessment model will leverage the digitally fetched and verifiable data available in the ecosystem and devise automated journeys for MSME Loan appraisal using objective decisioning for all loan applications and model-based limit assessment for both Existing to Bank (ETB) as well as New to Bank (NTB) MSME borrowers. The digital footprints used by the model may *inert alia* include GST data, Bank Statement, Income Tax Return (ITR), API enabled commercial and consumer bureau fetch and due diligence using CICs etc.

(d) No such proposal is under consideration at present. SIDBI is authorized by Ministry of MSME to act as Implementing Agency in developing Udyam Assist Platform as a Digital Public Infrastructure for registering Informal Micro Enterprises.

(e) No such proposal for Vyapar Credit Card for MSME owners is under consideration. However, in the Union Budget 2025-26, it has been announced that a Credit Card with Rs. 5 lakh limit for micro enterprises registered on Udyam portal will be issued.
