

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 55
TO BE ANSWERED ON THE 22ND JULY 2024, / Ashadha 31, 1946 (Saka)**

Ease of Access to Finance

QUESTION

55: Shri Raja A

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

- (a) whether the Government made any review of ease of access to finance by the entrepreneurs from the backward classes, SC and ST;
- (b) if so, the details thereof;
- (c) whether the lending criteria would be simplified and ecosystem of banks would be strengthened, in view of the difficulties being faced by entrepreneurs in getting finance; and
- (d) if so, the details thereof?

ANSWER

To be answered by

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (d) In a deregulated credit environment, credit facilities are governed by approved lending policies of individual bank boards & extant guidelines of Reserve Bank of India. The Government reviews all credit linked schemes from time to time and takes several initiatives in order to facilitate ease of access to finance to the entrepreneurs including those belonging to backward classes, Scheduled Caste (SC) and Scheduled Tribe (ST). Some of these are:

(i) The Stand Up India Scheme (SUPI) was launched on 05th April, 2016 to facilitate loans of value between Rs. 10 lakh and Rs. 1 Crore to at least one Scheduled Caste (SC), Scheduled Tribe (ST) and one women borrower per bank branch for setting up a greenfield enterprise in manufacturing, services or trading sector and also for the activities allied to agriculture. The scheme was subsequently extended up to the year 2025, in terms of announcement made in Union Budget 2019-20.

(ii) The entrepreneurs belonging to backward classes, SC and ST are also provided collateral free loans upto Rs. 10 lakh to enable them to set up or expand their business activities under Pradhan Mantri MUDRA Yojana (PMMY) launched on 8th April 2015.

(iii) Government of India has set up the Credit Guarantee Fund for Stand-Up India (CGFSI) and Credit Guarantee Fund for Micro Units (CGFMU) to extend credit guarantee coverage under SUPI and PMMY respectively.

Additionally, all banks channelize concessional loans to borrowers of the Scheduled Castes as per scheme guidelines formulated by Central or State Government from time to time.
