

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3057
ANSWERED ON:19.08.2011
COLLATERAL SECURITY
Sethi Shri Arjun Charan

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has mandated to the all nationalised banks not to demand collateral security in case of loans upto Rs. 10 lakhs extended to units in the Micro and Small Enterprises sector; and

(b) if so, the total number of such collateral free loans extended/ provided during the year 2010-11 in the country, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Yes Sir. Reserve Bank of India (RBI) has mandated to all the banks not to demand collateral security in case of loans upto Rs. 10 lakhs extended to units in the Micro and Small Enterprises sector. State-wise data on collateral free loans is not collated by Reserve Bank of India (RBI). However, the cumulative position of the collateral free loans as on March 2011 is as under:

No. of Accounts (in actual) Amt. outstanding (in crore)

2084069 23310.36