

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA**

**UN-STARRED QUESTION NO. 1013
TO BE ANSWERED ON FRIDAY, FEBRUARY 08, 2019 / MAGHA 19, 1940(SAKA)**

'Outstanding Credit to MSMEs'

1013 : Shri Dinesh Trivedi :

Will the Minister of FINANCE be pleased to state :

- (a) whether according to RBI data the credit outstanding to the Micro, Small and Medium Enterprises (MSMEs) has dropped by 1.4 per cent in the month of September 2018, if so, the details thereof; and;
- (b) the steps taken by Government to improve the credit flow along with measures taken to revive the critical condition of MSMEs ?;

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI SHIV PRATAP SHUKLA)

(a): As per data compiled by Reserve Bank of India (RBI), outstanding credit of Scheduled Commercial Banks (SCBs) to Micro, Small and Medium Enterprises (MSMEs) increased from Rs. 12,69,862.30 crore in September 2017 to Rs. 14,10,422.91 crore in September 2018, reflecting an increase of 11.07%.

(b) Government and RBI have taken several steps to ensure access of credit to MSMEs, which inter-alia, include, advice to all Scheduled Commercial Banks (SCBs) to achieve a 20% year-on-year growth in credit to Micro and Small Enterprises (MSEs), allocation of 60% of the MSEs advances to the micro enterprise accounts, a 10% annual growth in number of micro enterprise accounts, additional working capital limit to meet the requirements arising due to unforeseen/seasonal increase in demand, adoption of one cluster, operationalising at least one specialised MSME Branch in every district, simplified computation of working capital of MSE units to make it minimum 20% of the projected annual turnover of the unit for borrowal limits upto Rs.5 crore, setting up of Trade Receivables Discounting System (TReDS) to solve the problem of delayed payment of MSMEs, etc.

In addition, Government have also recently launched a support and outreach programme for MSMEs on 2nd November, 2018. The programme, inter-alia, includes initiatives for MSMEs on access to credit, access to market, technology upgradation, ease of doing business, social security for MSME sector employees etc.

