



# Easy loans to MSMEs

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Government has taken several steps to extend easy loans to MSMEs, which inter-alia include, advise to all Scheduled Commercial Banks (SCBs) to achieve a 20% year-on-year growth in credit to Micro and Small Enterprises (MSEs) to ensure enhanced credit flow, allocation of 60% of the MSEs advances to the micro enterprise accounts, a 10% annual growth in number of micro enterprise accounts, adoption of one cluster, operationalising at least one specialised MSME Branch in every district etc. In addition, a target of 7.5% of Adjusted Net Bank Credit (ANBC) has been prescribed for Micro Enterprises. SCBs have been mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector and computation of working capital requirements of MSE units has been simplified to make it minimum 20% of the projected annual turnover of the unit.

Small Industries Development Bank of India (SIDBI) has also launched the 'Udyamimitra' Portal ([www.udyamimitra.in](http://www.udyamimitra.in)) as a universal loan portal to improve accessibility of credit and handholding services to Micro, Small and Medium Enterprises (MSMEs). Through the portal, entrepreneurs can apply online for MSME loans upto Rs.2 crore without physically visiting bank branches. Various Scheduled Commercial Banks (SCBs), Non-Banking Financial Companies, Small Finance Banks and Financial Technology (Fintech) companies have been boarded on the portal.

This information was shared by Shri Shiv Pratap Shukla, Minister of State for Finance in Lok Sabha today.

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