

PSBs give ₹4.9L cr loans under outreach scheme

TIMES NEWS NETWORK

New Delhi:

State-run banks have disbursed loans worth Rs 2.4 lakh crore in November, taking the total disbursement to MSMEs, NBFCs, companies, retail and agriculture borrowers to Rs 4.9 lakh crore.

Finance and corporate affairs minister Nirmala Sitharaman, had announced in September the launch of customer outreach initiative by public sector banks (PSBs) to improve credit delivery and support needs of the economy, with particular focus on MSMEs, NBFCs, corporates, retail and agriculture sector borrowers, without compromising on prudential lending norms. The customer outreach in October 2019 resulted in total credit disbursement of Rs. 2.5 lakh crore.

To boost the MSME sector, out of the total, PSBs have disbursed Rs 35,775 crore in November, raising the total credit disbursed to the sector to Rs 72,985 crore.

For NBFCs, out of the total, PSBs have disbursed Rs 25,525 crore in November, increasing sharply from Rs 19,628 crore in October, raising the total credit disbursed to Rs 45,153 crore.

Total support sanctioned by PSBs to NBFCs till November 2019 (since IL&FS default in September 2018) has risen to Rs 4.2 lakh crore. PSBs being adequately capitalised and record recovery is underway. They have sufficient liquidity to support credit growth, a finance ministry statement said.

The government had unveiled the massive loan disbursal programme to improve liquidity in the system and boost demand in the festival season. State-run banks were told to fan out across 400 districts in two phases to provide access to loans to customers.

The move was among the raft of measures the government unveiled to reverse a sharp economic slowdown after data had shown that the economy grew at its slowest pace (5%) in over six-years in the April-June quarter.

How banks stepped up loan disbursement

