

'Centre committed to boosting credit flow in the economy'

BOLD PUSH. PSBs will come up with new products for this in 4 months: DFS Secretary

KR Srivats
New Delhi

The Centre is committed to enhancing higher credit and wants to push as much credit as possible in the economy, M Nagaraju, Secretary, Department of Financial Services (DFS), said on Tuesday.

Towards this end, public sector banks (PSBs) will come up with new products in the next 3-4 months to bolster the credit flow in the system.

CREDIT HELP

"We have a huge number of young people who require credit. In the next 3-4 months, we will come up with several new products from the PSBs. Government is also going to give credit guarantee," Nagaraju said at the Confederation of Indian Industry (CII)-Financial Inclusion and Fintech Summit in the Capital.

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M NAGARAJU
Secretary, DFS



He highlighted that Finance Minister Nirmala Sitharaman had already announced that MSMEs don't need to give banks any collaterals or guarantees for taking credit up to ₹100 crore.

In addition, both the government and PSBs have already sanctioned ₹31 lakh crore collateral-free Mudra loans to MSMEs and more than 50 percent of the borrowers are women, Nagaraju said.

FINTECH SECTOR

On fintechs, Nagaraju said that there is no limit to fintech innovation and imagination and that, "Many fintechs are doing very well. Government has been working very closely with fintech industry for promoting financial inclusion."

Currently, India's fintech sector is the third largest (besides the US and the UK) in the world. There are 13,000 fintech companies function-

ing in the country with investment of \$33 billion in India, he added.

"Unlike in Silicon Valley or London, our fintechs are spread across all sectors from agriculture, payment, investment advisory, wealth management to cloud, scholarship, disaster management and analytics," he said.

He said that government has also taken up several initiatives to reduce compliance burden for companies.

"While fintech is expanding and there is lot of immense potential and benefit to country, we should also address some challenges that come with them," he noted.

Digital growth has thrown certain challenges including governance, regulatory and statutory compliances, customer protection and fair practices, he said. "It is essential to strike a balance between the fintech innovation and timely regulatory compliance and responses," Nagaraju added.